



Tourism Committee

**Tuesday, March 29, 2005
1:45 PM
306 HOB**

**Allan G. Bense
Speaker**

**Rep. Nancy Detert
Chair**

TOURISM COMMITTEE

Tuesday, March 29, 2005

1:45 pm – 4:45 pm

306 HOB

I. 1:45 pm Call to Order

II. Remarks by Chairman

III. Consideration of the following bills:

- HB 1269 – Florida Commission on Tourism
Representative Murzin
- HB 887 – NASCAR Hall of Fame Facility
Representative Patterson
- HB 1049 – Distribution of Sales & Use Tax Proceeds
Representative Simmons
- HB 1287 – Professional Sports Franchises
Representative Lopez-Cantera

V. 4:45 pm Adjourn

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1269
SPONSOR(S): Murzin and others
TIED BILLS:

Florida Commission on Tourism

IDEN./SIM. BILLS: SB 1980

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Tourism Committee		McDonald <i>JM</i>	McDonald <i>JM</i>
2) State Infrastructure Council			
3)			
4)			
5)			

SUMMARY ANALYSIS

The bill increases the membership of the Florida Commission on Tourism (commission) from 34 to 35 with the addition of a member from a statewide association representing restaurants.

The bill also revises financial disclosure requirements for commission members, providing that a member who is not otherwise required to file a Full and Public Statement of Financial Interests, pursuant to s. 8, Art. II of the State Constitution or s. 112.3144, F.S., to file a Statement of Financial Interest, pursuant to s. 112.3145, F.S. This change conforms the requirement to that of other similarly created public-private partnerships, boards and commissions, e.g., Enterprise Florida, Inc., Black Business Investment Board, and Workforce Florida, which are required to file the statutory, rather than the constitutional, financial disclosure.

Finally, the bill deletes the requirement for the commission to establish a statewide nature and heritage tourism advisory committee. Statutory requirements regarding the incorporation of nature-based tourism and heritage tourism components in the comprehensive marketing plan and the elements of the plan related to those components are not changed by this deletion.

The bill takes effect July 1, 2005.

The fiscal impact of the bill will be negligible, if any. See "Fiscal Comments."

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide limited government – The bill deletes statutory requirement for the establishment of a statewide advisory committee to the Florida Commission on Tourism. See details below.

B. EFFECT OF PROPOSED CHANGES:

PRESENT SITUATION

In 1996, with the enactment of Ch 96-320, LOF, the Department of Commerce was dismantled. Responsibilities for promoting and marketing visitation to the state that had formerly been under the department and its Division of Tourism were given to a newly created public-private partnership. The Florida Commission on Tourism (commission) and its direct support organization, VISIT FLORIDA, formed the component parts of the statutorily created public-private partnership responsible for making Florida the premier tourism destination.

Florida Commission on Tourism (commission)

Purpose & Duties:

By law, the purpose of the commission is to be the administrative policy link between the public and the private sector tourism promotion partners.

The commission, with the Governor as its chairman, is vested with the authority to make policy decisions on promoting and developing tourism in Florida. Its purpose is to oversee the state's efforts to increase the positive impact of tourism, including increased employment for state citizens; continually upgrade the image of Florida as a destination; to promote tourism objectives with all geographic, socioeconomic, and community sectors considered equitably; and, to judge its efforts by the same standards of accountability and integrity as those used by successful, respected private sector businesses.¹ By law, the commission is given the authority and responsibility to do, among other things, the following:

- Recommend the tenets of a 4-year marketing plan to sustain tourism growth, which plan shall be annual in construction and ongoing in nature. The plan must include an emergency response component and research designs; provisions for the direct support organization to reach the targeted one-to-one match of private to public contributions within four years after plan implementation; specific provisions for directing tourism promotion resources toward promotion and development of nature-based and heritage tourism with provisions addressing these tourism initiatives in rural communities; and specific performance standards and measurable outcomes for the Commission and the direct support organization.
- Develop an operational structure to carry out the marketing plan.
- Undertake or commission marketing research and advertising research studies.
- Establish a statewide advisory committee of the Commission to assist it with implementation of a plan to protect and promote all of the natural, coastal, historical, and cultural tourism assets of this state. The committee is given specific responsibilities regarding nature-based and heritage tourism.
- Contract with a direct support organization created under s. 288.1226, F.S., to execute the tourism marketing and promotion services, functions, and programs for this state including, but

¹ See s. 288.1223(1) and (2)(f), F.S.

not limited to, the activities prescribed in the 4-year marketing plan. Serve as the contract administrator for the contract.

- Be responsible for the prudent use of all public and private funds and ensure that the use of the funds is in accordance with all applicable laws, bylaws, and contractual requirements.²

Through a contract with the Governor's Office of Tourism, Trade, and Economic Development, the Commission carries out its purpose and duties and responsibilities assigned by statute.

Commission Membership

The commission consists of 34 members including the Governor, as a voting member, and a Senator chosen by the President of the Senate and a Representative chosen by the Speaker of the House of Representatives who are both ex officio members. The 31 other members are recognized tourism industry leaders appointed by the Governor, subject to Senate confirmation.

Seventeen of the 31 members are from the general tourism industry as specified in the law. These members are to be appointed in such a manner as to equitably represent all geographic areas of the state, with no fewer than two and no more than four members from any of the six tourism regions delineated in law.³

The remaining 14 members must come from the following tourism industry areas:

- 3 representatives from the statewide rental car industry;
- 4 representatives from tourist-related statewide associations, including those that represent hotels, campgrounds, county destination marketing organizations, and attractions;
- 2 representatives from county destination marketing organizations;
- 1 representative from the cruise industry;
- 1 representative from an automobile and travel services membership organization;
- 1 representative from the youth travel industry; and,
- 1 representative from the space tourism industry.⁴

VISIT FLORIDA

VISIT FLORIDA, the private arm of the public/private partnership, is charged with carrying out the policies set forth by the public partner in its 4-year marketing plan and other provisions of law. VISIT FLORIDA has a board of directors made up of the 31 private sector members of the Florida Commission on Tourism. The Vice Chair of the Florida Commission on Tourism serves as the Chair of the Board of Directors of VISIT FLORIDA. This board directs the activities of the not-for-profit corporation.⁵ The private corporation is composed of the following departments: Marketing (Promotions, Creative Services & Public Relations), Sales, Partner Development, Research, Governmental Relations, New Product Development, Finance & Administration. The Board is composed of councils and committees that advise on issues related to the marketing plan and its implementation or other issues relating to tourism in the state.

Nature-based and Heritage Tourism Initiatives: Commission & VISIT FLORIDA

In 1996, the Legislature amended s. 288.1224, F.S., to require the commission to establish a statewide advisory committee to assist in the promotion and protection of natural, coastal, historical, and cultural tourism assets. Duties of the committee include: developing nature and heritage tourism policies, coordinating government and private interests in nature and heritage tourism, and integrating nature and heritage tourism marketing strategies. The representatives of the committee have changed over

² See s. 288.1224, F.S.

³ See s. 288.1223, (2)(b), F.S.

⁴ See s. 288.1223, (2)(a), F.S.

⁵ See s. 288.1226, F.S.

the years, but currently members are appointed by the commission chair and include a representative from each of the following:

- Department of Agriculture;
- Department of Environmental Protection;
- Department of Community Affairs;
- Department of Transportation;
- Department of State;
- Florida Greenways Coordinating Council;
- Florida Fish and Wildlife Conservation Commission;
- Enterprise Florida, Inc.;
- Rural and non-rural economic development organizations;
- Two not-for-profit environmental organizations;
- Regional nature-based or heritage tourism committees; and
- Private sector tourism.

As mentioned earlier, VISIT FLORIDA has a New Product Development (NPD) department that has as its primary responsibility the promotion of nature, heritage, cultural, and rural tourism. The Council and Committee structure of VISIT FLORIDA that advises the Board of Directors and the NPD department on issues related to implementing the state's tourism marketing plan as it relates to nature, heritage, cultural and rural interests is comprised of over fifty tourism industry leaders. The NPD Council consists of four committees: NPD Council Steering, Cultural Heritage Tourism, Nature-based Tourism and Rural Tourism. The NPD department supports a number of programs and publications. The following are some examples:

- *Undiscovered Florida* is a publication that highlights different attractions, activities, cultural communities and events, and natural destinations throughout the state.
- *Culturally Florida* and *History & the Arts* are two publications that highlight museums, entertainment, concerts, science, diversity, and histories of peoples and areas throughout the state.
- *Rural County Pilot Projects* assist rural counties in developing and marketing their tourism product. County-specific brochures are published highlighting various natural sites and outdoor activities.
- *Worth the Drive* features themed tours, road tours, city tours, and day trips.
- Numerous site and activity specific brochures including guides to archeological sites, gardens, springs, lakes, camping, kayaking, and biking throughout the state.

According to the Florida Commission on Tourism, the statutory advisory committee voted to suspend its operations in order to allow the VISIT FLORIDA Board of Directors' committee process to work. All of the active members of the committee are members of VISIT FLORIDA Board committees. The vote to suspend operations occurred in September 2004.

Financial Disclosure – General Requirements

Public officers, employees and appointees are required by law to file one of two financial disclosure statements with the Florida Commission on Ethics. Section 2, Art. VIII, of the State Constitution requires "all elected constitutional officers and candidates for such offices and, as may be determined by law, other public officers, candidates, and employees" to file a Full and Public Statement of Financial Interests.⁶ Such persons must report the *total dollar value* of the following: net worth, assets including

⁶ Implemented in s. 112.3144, F.S. In addition to elected constitutional officers and candidates for those offices, the following are required to file Full Financial Disclosure: Jacksonville mayor and City Council Members; judges of compensation claims; Duval County School Superintendent; Florida Housing Finance Corporation Board of Directors; Florida Prepaid College Board, and, the Florida Commission on Tourism.

household goods and personal effects, liabilities in excess of \$1,000, primary and secondary sources of income, and interests in specified businesses including positions held and ownership.⁷

Section 112.3145(2)(a), F.S., requires “each state or local officer and each specified state employee” to file a Statement of Financial Interests each year.⁸ “State officer” is defined, in part, as an appointed member of each board, commission, authority, or council having statewide jurisdiction, excluding a member of an advisory body.⁹ Such persons must report primary and secondary sources of income, assets, liabilities, and interests in specified businesses including positions held and ownership, that exceed specified percentage or dollar thresholds outlined in s. 112.3145, F.S.¹⁰

Financial Disclosure – Florida Commission on Tourism & Other Public-Private Partnerships

Section 288.1223(2)(i), F.S., requires each member of the Florida Commission on Tourism to file the Full and Public Statement of Financial Interests. Other similar entities, such as Workforce Florida, Enterprise Florida, Inc, and the Black Business Investment Board, are only required to file a Statement of Financial Interests.

According to the Florida Commission on Tourism, there have been potential members whose companies would not permit them to serve if they were required to disclose the amounts of interest relative to the company which employed them.

Effect of Proposed Changes:

The bill increases the membership of the Florida Commission on Tourism (commission) from 34 to 35 with the addition of a member from a statewide association representing restaurants.

The bill also revises financial disclosure requirements for commission members, providing that a member who is not otherwise required to file a Full and Public Statement of Financial Interests, pursuant to s. 8, Art. II of the State Constitution or s. 112.3144, F.S., to file a Statement of Financial Interests, pursuant to s. 112.3145, F.S. This change conforms the requirement to that of other similarly created public-private partnerships, boards and commissions, e.g., Enterprise Florida, Inc., Black Business Investment Board, and Workforce Florida, which are required to file the statutory, rather than the constitutional financial disclosure.

Finally, the bill deletes the requirement for the commission to establish a statewide nature and heritage tourism advisory committee. Statutory requirements regarding the incorporation of nature-based tourism and heritage tourism components in the comprehensive marketing plan and the elements of the plan related to those components are not changed by this deletion.

The bill takes effect July 1, 2005.

C. SECTION DIRECTORY:

Section 1. Amends s. 288.1223, F.S., relating to the Florida Commission on Tourism; increasing membership; revising financial disclosure requirements for members.

Section 2. Amends s. 288.1224, F.S., relating to the powers and duties of the Florida Commission on Tourism; deleting requirement for statewide advisory committee.

Section 3. Provides an effective date of July 1, 2005.

⁷ Florida Commission on Ethics website, www.ethics.state.fl.us, Form 6.

⁸ Florida Commission on Ethics website, www.ethics.state.fl.us, Form 1.

⁹ See s. 112.3145(1)(c)2., F.S.

¹⁰ Florida Commission on Ethics website, www.ethics.state.fl.us, Form 1.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See "Fiscal Comments".

2. Expenditures:

See "Fiscal Comments".

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

There is a potential cost savings to the Florida Commission on Tourism since it would no longer be required to maintain a statewide advisory committee on nature and heritage tourism. However, the majority of these committee members serve on related committees of the Board of Directors of VISIT FLORIDA.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not require municipalities or counties to expend funds, does not reduce their authority to raise revenue, and does not reduce the percentage of a state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

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1 A bill to be entitled

2 An act relating to the Florida Commission on Tourism;
3 amending s. 288.1223, F.S.; increasing the membership of
4 the commission; revising financial disclosure requirements
5 for members of the commission; amending s. 288.1224, F.S.;
6 eliminating a duty of the commission to establish a
7 statewide advisory committee to assist with implementation
8 of a plan to protect and promote the natural, coastal,
9 historical, and cultural tourism assets of the state;
10 providing an effective date.

11
12 Be It Enacted by the Legislature of the State of Florida:

13
14 Section 1. Paragraphs (a) and (i) of subsection (2) of
15 section 288.1223, Florida Statutes, are amended to read:

16 288.1223 Florida Commission on Tourism; creation; purpose;
17 membership.--

18 (2)(a) The commission shall consist of 17 general tourism-
19 industry-related members appointed by the Governor, subject to
20 confirmation by the Senate, and 15 ~~14~~ additional tourism-
21 industry-related members, appointed by the Governor, including 3
22 representatives from the statewide rental car industry, 5 ~~4~~
23 representatives from tourist-related statewide associations,
24 including those that represent hotels, campgrounds, county
25 destination marketing organizations, restaurants, and
26 attractions, 2 representatives from county destination marketing
27 organizations, 1 representative from the cruise industry, 1
28 representative from an automobile and travel services membership

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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organization that has at least 2.8 million members in Florida, 1 representative from the airline industry, 1 representative from the youth travel industry, and 1 representative from the space tourism industry, who will each serve for a term of 2 years, the Governor, and 2 additional ex officio members, who will serve for a term of 2 years, including a member of the Senate appointed by the President of the Senate and a member of the House of Representatives appointed by the Speaker of the House of Representatives.

(i) Each member of the commission who is not otherwise required to shall file financial full and public disclosure pursuant to of financial interests at the times and places and in the same manner required of elected constitutional officers under s. 8, Art. II of the State Constitution or s. 112.3144, shall file disclosure of financial interests pursuant to s. 112.3145 and any law implementing that provision.

Section 2. Subsections (11) and (12) of section 288.1224, Florida Statutes, are amended to read:

288.1224 Powers and duties.--The commission:

~~(11) Shall establish a statewide advisory committee of the commission to assist the commission with implementation of a plan to protect and promote all of the natural, coastal, historical, and cultural tourism assets of this state. The duties of the committee shall include, but are not limited to, helping to develop and review nature based tourism and heritage tourism policies, coordinate governmental and private sector interests in nature based tourism and heritage tourism, and integrate federal, state, regional, and local nature based~~

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~~tourism and heritage tourism marketing strategies. The chair of the commission shall appoint members of the advisory committee based upon recommendations from the commission. Members shall include:~~

~~(a) A representative of each of the following state governmental organizations: the Department of Agriculture, the Department of Environmental Protection, the Department of Community Affairs, the Department of Transportation, the Department of State, the Florida Greenways Coordinating Council, and the Florida Fish and Wildlife Conservation Commission.~~

~~(b) A representative of Enterprise Florida, Inc.~~

~~(c) Representatives of regional nature based tourism or heritage tourism committees or associations that are established by local tourism organizations throughout the state.~~

~~(d) Representatives of the private sector with experience in environmental, historical, cultural, recreational, or other tourism related activities.~~

~~(e) Representatives of two not for profit environmental organizations with expertise in environmental resource protection and land management.~~

~~(f) A representative from a local economic development organization serving a rural community.~~

~~(g) A representative from a local economic development organization serving a nonrural community.~~

~~(h) Representatives from any other organizations that the chair of the commission, based upon recommendations from the commission, deems appropriate.~~

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(11)~~(12)~~ Shall incorporate nature-based tourism and heritage tourism components into its comprehensive tourism marketing plan for the state, including, but not limited to:

(a) Promoting travel experiences that combine visits to commercial destinations in the state with visits to nature-based or heritage-based sites in the state;

(b) Promoting travel experiences that combine visits to multiple nature-based or heritage-based sites within a region or within two or more regions in the state;

(c) Assisting local and regional tourism organizations in incorporating nature-based tourism and heritage tourism components into local marketing plans and in establishing cooperative local or regional advisory committees on nature-based tourism and heritage tourism;

(d) Working with local and regional tourism organizations to identify nature-based tourism and heritage tourism sites, including identifying private sector businesses engaged in activities supporting or related to nature-based tourism and heritage tourism; and

(e) Providing guidance to local and regional economic development organizations on the identification, enhancement, and promotion of nature-based tourism and heritage tourism assets as a component of the overall job-creating efforts of such organizations.

The marketing plan shall include specific provisions for directing tourism promotion resources toward promotion and development of nature-based tourism and heritage tourism. The

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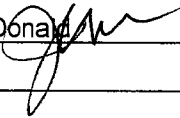
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112 marketing plan shall also include provisions specifically
113 addressing promotion and development of nature-based tourism and
114 heritage tourism in rural communities in the state.

115 Section 3. This act shall take effect July 1, 2005.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 887 **NASCAR Hall of Fame Facility**
SPONSOR(S): Patterson and others
TIED BILLS: **IDEN./SIM. BILLS:** SB 2476

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Tourism Committee		Langston 	McDonald 
2) Finance & Tax Committee			
3) Transportation & Economic Development Appropriations Committee			
4) State Infrastructure Council			
5) _____			

SUMMARY ANALYSIS

The bill provides for the use of General Revenue funds generated from state sales tax to construct and operate the NASCAR Hall of Fame facility in Florida. The Governor's Office of Tourism, Trade, and Economic Development (OTTED) is authorized to screen applicants and certify one applicant to be the NASCAR Hall of Fame facility.

OTTED must make certain determinations before the applicant is eligible to receive state assistance. These determinations include such things as: the NASCAR Hall of Fame facility would be the only facility in the United States recognized by NASCAR, Inc.; the applicant is a unit of local government or a private group contracted to construct or operate the facility on land owned by a unit of local government; the unit of government in which the facility is located has certified by resolution after a public hearing that the application serves a public purpose; existing projections show that the facility will attract a paid attendance of more than 500,000 annually; an independent analysis or study that demonstrates that the project will generate \$3 million or more annually from sales tax revenues related to the use and operation of the facility; and, the applicant has submitted an agreement to provide \$2 million annually in national and international media promotion of the facility, state, and tourism in the state through NASCAR, Inc., or its affiliates.

OTTED has the responsibility for insuring that the annual advertising requirements are met by the facility and for recertifying the facility every 10 years regarding projections for attendance, advertising, and General Revenue funds generated from sales tax.

The Department of Revenue may audit to verify that the distributions under s. 213.34, F.S., are expended as required.

Upon certification that the facility is open to the public, the bill requires a monthly distribution of \$250,000 from General Revenue for up to 300 months (\$3 million annually for up to 25 years totaling up to \$75 million). The estimated negative fiscal impact on General Revenue is (\$3.0) million on a recurring basis for 25 years.

See "Fiscal Comments".

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide Limited Government – The bill increases the responsibilities of the Governor's Office of Tourism, Trade and Economic Development and the Department of Revenue for the certification created by the bill. See details below.

Ensure Lower Taxes – The bill requires an annual distribution from sales tax revenues of \$3 million annually for 25 years to the certified applicant. See details below.

B. EFFECT OF PROPOSED CHANGES:

Background:

Distribution of Sales Tax Proceeds

Chapter 212, F.S., imposes a state sales and use tax of 6% on retail sales of most tangible personal property, admissions, transient lodgings, commercial rentals, and motor vehicles. Tax collections are deposited by the Department of Revenue (DOR) in the General Revenue Fund of the state and into a variety of trust funds benefiting state agencies and local governments.

Section 212.20, F.S., governs the distribution by DOR of tax revenues collected under the provisions of Chapter 212, F.S. Subsection (6) of that section requires DOR to distribute funds to certain qualified sports facilities.

Sales Tax Distributions to Sports Facilities – Capped Number, Payment & Lengths of Time

The Department of Revenue distributes tax revenues to professional sports franchise facilities and retained spring training franchise facilities that are certified by the Governor's Office of Tourism, Trade, and Economic Development (OTTED) as meeting requirements set forth in s. 288.1162, F.S., to the Professional Golf Hall of Fame facility as certified pursuant to s. 288.1168, F.S., and to the International Game Fish Association World Center facility as certified pursuant to s. 288.1169, F.S. Each recipient receives a fixed monthly distribution that is set by statute.¹ The law caps the number of new and retained professional sports franchise facilities eligible for funding at eight and requires that at least five facilities for retained spring training franchises be certified. No other sports-related businesses or facilities are entitled to distributions from DOR of tax revenues collected pursuant to Chapter 212, F.S.

A professional sports franchise facility receives \$166,667 monthly for up to 30 years while a retained spring training franchise facility can receive up to \$41,667 monthly for up to 30 years. The Professional Golf Hall of Fame Facility (Golf Hall of Fame) receives \$166,667 monthly for up to 25 years, and the International Game Fish Association World Center (IGFA) facility receives \$83,333 monthly for up to 14 years. Both the Golf Hall of Fame and IGFA facilities were not eligible to receive funds until they were certified by OTTED as being open to the public.²

¹ See s. 212.20(6)((d)7.b.-d., F.S.

² Statutory language creating the certification for a Professional Golf Hall of Fame was in 1993; however, the facility was not certified as being open to the public until February 1998. The first distribution of revenues did not occur until March 1998. The statutory language for certification of the IGFA was added in 1996; however, the facility was not certified as being open to the public until February 2000. The first distribution of revenues did not occur until March 2000.

Criteria for Certification for Tax Distribution Eligibility

The criteria vary depending upon the type of sports facility that is certified. Generally, criteria will include such things as relationship with and support of a local unit of government, projections of paid attendance, and demonstration of being able to provide or having financial or other commitments to provide more than one-half of the costs incurred or related to the facility or its operation. Other requirements include such things as reviews, recertification, sanctions, and audits.

Designation of a NASCAR Hall of Fame:

There are a number of independent racing halls of fame in existence in the United States, but none are officially affiliated with NASCAR, Inc.

Request for Proposal

On January 3, 2005, NASCAR, Inc., invited five cities to present proposals for the development of a NASCAR Hall of Fame facility honoring NASCAR icons and create a memorial to the drivers, crew members, team owners, and other important figures who have impacted the sport. The deadline for submitting the completed request for proposal is May 31, 2005. The cities receiving the request for proposal were Daytona Beach, Charlotte, Atlanta, Talladega, Richmond and Kansas City, KS, and the state of Michigan.

The request for proposal is intentionally vague with no specific requirements for size, shape, or cost. However, these are the more specific proposal requirements: desirable location, permanent funding effort, a corporate entity/ management structure describing the formal relationship between NASCAR, Inc., and the city, marketing plan, and design/development team.

Daytona Beach

NASCAR's current headquarters are located in Daytona Beach. The city is the home of the Daytona International Speedway which hosts the Daytona 500, attracting the largest audience in motorsports, and other major racing events throughout the year.

Daytona USA is a 60,000 square-foot interactive multi-million-dollar motorsports tourist attraction located at the speedway.

Effects of Proposed Changes:

The bill provides for the use of General Revenue funds generated from the state sales tax to develop and operate the NASCAR Hall of Fame facility in Florida. The amount of the distribution authorized once the applicant has been certified as the NASCAR Hall of Fame facility pursuant to s. 288.1170, F.S., and is open to the public, is \$250,000 per month for 25 years for a total of \$75 million.

The bill authorizes OTTED to certify one applicant to be the NASCAR Hall of Fame facility. The conditions for certification for this facility are very similar to those required of the Professional Golf Hall of Fame facility. See the similarities and differences listed below between the Professional Golf Hall of Fame and the proposed facility for the NASCAR Hall of Fame as outlined in this bill.

Same Criteria for Professional Golf Hall of Fame and proposed NASCAR Hall of Fame

- Only facility of its kind in the United States recognized by specific organization.
- Operated by local government or if private sector contracted to construct or operate, then the land must be owned by local government.
- Municipality or County has certified by resolution after public hearing declaring public purpose.
- Must provide \$2 million annually in national and international media promotion of the facility, Florida, and tourism in Florida. Also provides that failure on the part of the organization to

provide the required annual advertising shall result in the termination of funding as provided in s. 212.20, F.S. In lieu of termination of funds, the facility can increase advertising funding to \$2.5 million annually.

- Application is signed by an official senior executive of the applicant and is notarized.
- Funds may be used for the public purpose of paying for the construction, reconstruction, renovation, or operation of the facility, or to pay or pledge for payment of debt service on, or to fund debt service reserve funds, arbitrage rebate obligations, or other amounts payable with respect to, bonds issued for the construction, reconstruction, or renovation of the facility or for the reimbursement of such costs or the refinancing of bonds issued for such purpose.
- OTTED shall notify the applicant and the executive director of the Department of Revenue by official letter regarding the certification of the applicant. The applicant shall then have 5 years from such certification to open the facility to the public.
- The Department of Revenue is authorized to audit the distribution and expenditure of these funds.
- Every ten years, OTTED must recertify that the facility is open and meeting the minimum projections for attendance or sales tax revenue. If the facility is not recertified as meeting the minimum projections, advertising must be increased from \$2 million annually to \$2.5 million in lieu of reduction of any funds provided by s. 212.20, F.S. The additional 500,000 must be allocated for generic Florida advertising as determined by OTTED. If the facility is not open to the public or is no longer in use as the only hall of fame in the United States recognized by the specific organization, (*PGA Tour Inc, or NASCAR*) the entire \$2.5 million for advertising must be used for Florida advertising as determined by OTTED.

Differences in Criteria for Professional Golf Hall of Fame and proposed NASCAR Hall of Fame

<i>Professional Golf Hall of Fame</i>	<i>NASCAR Hall of Fame</i>
Must show a projected paid attendance of more than 300,000 annually.	500,000 annually
There is an independent analysis or study approved by OTTED that demonstrates that the project will generate more than \$2 million annually in sales or use taxes on the use and operation of the facility (under chapter 212).	\$3 million annually
The applicant has financial or other commitments to provide more than one-half of the costs incurred or related to the improvement and development of the facility.	No requirement.
Beginning 30 days after notice by OTTED to the Department of Revenue that the certified facility is open to the public, the bill requires a monthly distribution to the applicant of \$166,667 from general revenue for 300 months (\$2 million annually up to 25 years for a total of \$50 million).	\$250,000 monthly for 300 months (\$3 million annually up to 25 years for a total of \$75 million).

C. SECTION DIRECTORY:

Section 1 amends s. 212.20(6)(d), F.S., providing for distribution of revenue to NASCAR Hall of Fame facility.

Section 2 creates s. 288.1170, F.S, authorizing OTTED to conduct initial application review for NASCAR Hall of Fame facility; establishing certification criteria and process; specifying use of funds and criteria for receipt; providing for an audit; requiring recertification; providing consequences for specified conditions.

Section 3 provides an effective date of upon becoming a law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

General Revenue: reduction of (\$3) million annually per year for 25 years.
(upon certification and open to the public)

See "Fiscal Comments."

2. Expenditures:

See "Fiscal Comments."

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

Local Government Revenue: \$3 million recurring positive impact per year.
(upon certification and open to the public)

See "Fiscal Comments."

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

See "Fiscal Comments."

D. FISCAL COMMENTS:

From the date of certification, the facility has 5 years to open to the public and notify OTTED. The Department of Revenue will begin distribution 30 days after OTTED certifies that the facility is open to the public. It is uncertain which fiscal year the funds will be distributed due to certification, completion of the facility, and when it will become open to the public. When applicable criteria are met, the distribution of \$250,000 for up to 300 months is to begin (*totaling \$75 million*). There is an annual negative impact of \$3 million to General Revenue once certified. The new facility is supposed to generate at least \$3 million annually in sales tax revenues.

The bill increases OTTED's responsibilities related to the certification and recertification process. OTTED has been contacted regarding providing information on costs to be incurred by the certification. No information has been provided.

The bill increases Department of Revenue's duties related to the distribution and auditing of funds to the facility.

To the extent the facility lures additional out-of-state visitors who would not otherwise visit the area where the facility is located, the facility will have a positive impact on the local economy. However, the facility will compete for entertainment dollars that could otherwise be spent on entities that are not the beneficiaries of state funding.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds. This bill does not reduce the percentage of a state tax shared with counties or municipalities. This bill does not reduce the authority that municipalities have to raise revenues.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

According to Department of Revenue, there are implementation and administration concerns:

- The applicant is required by first sentence of paragraph (2)(f) s.288.1170, F.S., it appears that the applicant must agree to fund the advertising. However, subsection (6) of the proposed Section 288.1170, F.S., provides that if the facility is not recertified as meeting the minimum projections, NASCAR, Inc., is required to increase its required advertising contribution by \$500,000 annually in lieu of a reduction of funds distributed under Section 212.20, F.S. This requirement appears to directly contradict the requirement of paragraph (2)(f).
- It is unclear under paragraph (2)(f) of proposed s. 288.1170, F.S., who the party or parties to the required agreement must be.
- In paragraph (2)(f) of proposed s. 288.1170, F.S., clarification is needed on what percentage of the \$2 million in advertising is reasonable as well as what constitutes generic advertising. Generic advertising and reasonable percentage are not defined.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

The sponsor of the bill will offer a strike-all amendment to address the concerns cited above.

A bill to be entitled

An act relating to a NASCAR Hall of Fame facility;
amending s. 212.20, F.S.; providing for distribution of a
portion of revenues from the tax on sales, use, and other
transactions to a NASCAR Hall of Fame facility; creating
s. 288.1170, F.S.; specifying the Office of Tourism,
Trade, and Economic Development as the state entity for
screening NASCAR Hall of Fame facility applicants;
providing for certification of such facility by the
office; providing requirements for certification and
operation of the facility; providing for distribution of
funds; authorizing certain uses of funds distributed to
the facility; providing procedural requirements for the
office; limiting distribution of funds by the Department
of Revenue; providing for audits by the department;
providing for periodic recertification by the office;
providing requirements; providing certain advertising
contribution requirements; providing for increasing such
advertising contribution requirements under certain
circumstances; providing an effective date.

WHEREAS, the National Association for Stock Car Auto
Racing, Inc. (NASCAR), founded in 1948, is the preeminent auto
racing sanctioning body in the world, and

WHEREAS, the City of Daytona Beach is the recognized center
of auto racing in the United States and a leading economic
engine, attracting millions of race fans each year to Florida to
attend racing events and to participate in related racing

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29 activities, and

30 WHEREAS, NASCAR, Inc., has recently submitted its Request
31 For Proposals to at least four cities in the United States,
32 including the City of Daytona Beach, to develop, fund, and
33 maintain the NASCAR Hall of Fame, and

34 WHEREAS, the City of Daytona Beach, the County of Volusia,
35 and the State of Florida would benefit greatly by the
36 establishment of the NASCAR Hall of Fame in the cradle of auto
37 racing, the City of Daytona Beach, and

38 WHEREAS, the NASCAR Hall of Fame facility would receive
39 national and international media promotion and attention to the
40 extent of promoting the quality of life in Florida, so as to
41 attract national and international tourists and sports-related
42 industry, and

43 WHEREAS, additional generated tourism has a positive impact
44 on both the taxes and economy of the state and additional
45 economic development enhances employment opportunities for
46 Florida citizens as well as expanding the tax base, NOW
47 THEREFORE,

48

49 Be It Enacted by the Legislature of the State of Florida:

50

51 Section 1. Paragraph (d) of subsection (6) of section
52 212.20, Florida Statutes, is amended to read:

53 212.20 Funds collected, disposition; additional powers of
54 department; operational expense; refund of taxes adjudicated
55 unconstitutionally collected.--

56 (6) Distribution of all proceeds under this chapter and s.
57 202.18(1)(b) and (2)(b) shall be as follows:

58 (d) The proceeds of all other taxes and fees imposed
59 pursuant to this chapter or remitted pursuant to s. 202.18(1)(b)
60 and (2)(b) shall be distributed as follows:

61 1. In any fiscal year, the greater of \$500 million, minus
62 an amount equal to 4.6 percent of the proceeds of the taxes
63 collected pursuant to chapter 201, or 5 percent of all other
64 taxes and fees imposed pursuant to this chapter or remitted
65 pursuant to s. 202.18(1)(b) and (2)(b) shall be deposited in
66 monthly installments into the General Revenue Fund.

67 2. Two-tenths of one percent shall be transferred to the
68 Ecosystem Management and Restoration Trust Fund to be used for
69 water quality improvement and water restoration projects.

70 3. After the distribution under subparagraphs 1. and 2.,
71 8.814 percent of the amount remitted by a sales tax dealer
72 located within a participating county pursuant to s. 218.61
73 shall be transferred into the Local Government Half-cent Sales
74 Tax Clearing Trust Fund. Beginning July 1, 2003, the amount to
75 be transferred pursuant to this subparagraph to the Local
76 Government Half-cent Sales Tax Clearing Trust Fund shall be
77 reduced by 0.1 percent, and the department shall distribute this
78 amount to the Public Employees Relations Commission Trust Fund
79 less \$5,000 each month, which shall be added to the amount
80 calculated in subparagraph 4. and distributed accordingly.

81 4. After the distribution under subparagraphs 1., 2., and
82 3., 0.095 percent shall be transferred to the Local Government

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Half-cent Sales Tax Clearing Trust Fund and distributed pursuant to s. 218.65.

5. After the distributions under subparagraphs 1., 2., 3., and 4., 2.0440 percent of the available proceeds pursuant to this paragraph shall be transferred monthly to the Revenue Sharing Trust Fund for Counties pursuant to s. 218.215.

6. After the distributions under subparagraphs 1., 2., 3., and 4., 1.3409 percent of the available proceeds pursuant to this paragraph shall be transferred monthly to the Revenue Sharing Trust Fund for Municipalities pursuant to s. 218.215. If the total revenue to be distributed pursuant to this subparagraph is at least as great as the amount due from the Revenue Sharing Trust Fund for Municipalities and the former Municipal Financial Assistance Trust Fund in state fiscal year 1999-2000, no municipality shall receive less than the amount due from the Revenue Sharing Trust Fund for Municipalities and the former Municipal Financial Assistance Trust Fund in state fiscal year 1999-2000. If the total proceeds to be distributed are less than the amount received in combination from the Revenue Sharing Trust Fund for Municipalities and the former Municipal Financial Assistance Trust Fund in state fiscal year 1999-2000, each municipality shall receive an amount proportionate to the amount it was due in state fiscal year 1999-2000.

7. Of the remaining proceeds:

a. In each fiscal year, the sum of \$29,915,500 shall be divided into as many equal parts as there are counties in the state, and one part shall be distributed to each county. The

111 distribution among the several counties shall begin each fiscal
112 year on or before January 5th and shall continue monthly for a
113 total of 4 months. If a local or special law required that any
114 moneys accruing to a county in fiscal year 1999-2000 under the
115 then-existing provisions of s. 550.135 be paid directly to the
116 district school board, special district, or a municipal
117 government, such payment shall continue until such time that the
118 local or special law is amended or repealed. The state covenants
119 with holders of bonds or other instruments of indebtedness
120 issued by local governments, special districts, or district
121 school boards prior to July 1, 2000, that it is not the intent
122 of this subparagraph to adversely affect the rights of those
123 holders or relieve local governments, special districts, or
124 district school boards of the duty to meet their obligations as
125 a result of previous pledges or assignments or trusts entered
126 into which obligated funds received from the distribution to
127 county governments under then-existing s. 550.135. This
128 distribution specifically is in lieu of funds distributed under
129 s. 550.135 prior to July 1, 2000.

130 b. The department shall distribute \$166,667 monthly
131 pursuant to s. 288.1162 to each applicant that has been
132 certified as a "facility for a new professional sports
133 franchise" or a "facility for a retained professional sports
134 franchise" pursuant to s. 288.1162. Up to \$41,667 shall be
135 distributed monthly by the department to each applicant that has
136 been certified as a "facility for a retained spring training
137 franchise" pursuant to s. 288.1162; however, not more than
138 \$208,335 may be distributed monthly in the aggregate to all

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certified facilities for a retained spring training franchise. Distributions shall begin 60 days following such certification and shall continue for not more than 30 years. Nothing contained in this paragraph shall be construed to allow an applicant certified pursuant to s. 288.1162 to receive more in distributions than actually expended by the applicant for the public purposes provided for in s. 288.1162(6). However, a certified applicant is entitled to receive distributions up to the maximum amount allowable and undistributed under this section for additional renovations and improvements to the facility for the franchise without additional certification.

c. Beginning 30 days after notice by the Office of Tourism, Trade, and Economic Development to the Department of Revenue that an applicant has been certified as the professional golf hall of fame pursuant to s. 288.1168 and is open to the public, \$166,667 shall be distributed monthly, for up to 300 months, to the applicant.

d. Beginning 30 days after notice by the Office of Tourism, Trade, and Economic Development to the Department of Revenue that the applicant has been certified as the International Game Fish Association World Center facility pursuant to s. 288.1169, and the facility is open to the public, \$83,333 shall be distributed monthly, for up to 168 months, to the applicant. This distribution is subject to reduction pursuant to s. 288.1169. A lump sum payment of \$999,996 shall be made, after certification and before July 1, 2000.

e. Beginning 30 days after notice by the Office of Tourism, Trade, and Economic Development to the Department of

Revenue that an applicant has been certified as the NASCAR Hall of Fame facility pursuant to s. 288.1170 and is open to the public, \$250,000 shall be distributed monthly, for up to 300 months, to the applicant.

8. All other proceeds shall remain with the General Revenue Fund.

Section 2. Section 288.1170, Florida Statutes, is created to read:

288.1170 National Association for Stock Car Auto Racing, Inc. (NASCAR) Hall of Fame facility; duties of the Office of Tourism, Trade, and Economic Development.--

(1) The Office of Tourism, Trade, and Economic Development shall serve as the state entity for screening applicants for state funding pursuant to s. 212.20 and for certifying one applicant as the NASCAR Hall of Fame facility in the state.

(2) Prior to certifying the NASCAR Hall of Fame facility, the Office of Tourism, Trade, and Economic Development must determine that:

(a) The NASCAR Hall of Fame facility would be the only NASCAR Hall of Fame in the United States recognized by NASCAR, Inc.

(b) The applicant is a unit of local government as defined in s. 218.369 or a private sector group that has contracted to construct or operate the NASCAR Hall of Fame facility on land owned by a unit of local government.

(c) The municipality in which the NASCAR Hall of Fame facility is located, or the county if the facility is located in an unincorporated area, has certified by resolution after a

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public hearing that the application serves a public purpose.

(d) There are existing projections that the NASCAR Hall of Fame facility will attract a paid attendance of more than 500,000 annually.

(e) There is an independent analysis or study, using methodology approved by the Department of Revenue, which demonstrates that the amount of the revenues generated by the taxes imposed under chapter 212 with respect to the use and operation of the NASCAR Hall of Fame facility will equal or exceed \$3 million annually.

(f) The applicant has submitted an agreement to provide \$2 million annually in national and international media promotion of the NASCAR Hall of Fame facility, this state, and tourism in this state, through NASCAR, Inc., or its affiliates, at the then-current commercial rate, during the period of time the facility receives funds pursuant to s. 212.20. The Office of Tourism, Trade, and Economic Development and NASCAR, Inc., or its affiliates, must agree annually on a reasonable percentage of advertising specifically allocated for generic advertising in this state. The Office of Tourism, Trade, and Economic Development shall have final approval of all such generic advertising. Failure on the part of NASCAR, Inc., or its affiliates, to annually provide the advertising as provided in this paragraph or subsection (6) shall result in the termination of funding as provided in s. 212.20.

(g) The application is signed by an official senior executive of the applicant and is notarized according to the laws of this state providing for penalties for falsification.

223 (3) The applicant may use funds provided pursuant to s.
224 212.20 for the public purpose of paying for the construction,
225 reconstruction, renovation, or operation of the NASCAR Hall of
226 Fame facility, or to pay or pledge for payment of debt service
227 on, or to fund debt service reserve funds, arbitrage rebate
228 obligations, or other amounts payable with respect to, bonds
229 issued for the construction, reconstruction, or renovation of
230 the facility or for the reimbursement of such costs or the
231 refinancing of bonds issued for such purpose.

232 (4) Upon determining that an applicant is or is not
233 certifiable, the Office of Tourism, Trade, and Economic
234 Development shall notify the applicant of his or her status by
235 means of an official letter. If certifiable, the secretary shall
236 notify the executive director of the Department of Revenue and
237 the applicant of such certification by means of an official
238 letter granting certification. From the date of such
239 certification, the applicant shall have 5 years to open the
240 NASCAR Hall of Fame facility to the public and notify the Office
241 of Tourism, Trade, and Economic Development of such opening. The
242 Department of Revenue shall not begin distributing funds until
243 30 days following notice by the Office of Tourism, Trade, and
244 Economic Development that the NASCAR Hall of Fame facility is
245 open to the public.

246 (5) The Department of Revenue may audit as provided in s.
247 213.34, to verify that the distributions under this section have
248 been expended as required by this section.

249 (6) The Office of Tourism, Trade, and Economic Development
250 must recertify every 10 years that the facility is open,

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251 continues to be the only NASCAR Hall of Fame in the United
252 States recognized by NASCAR, Inc., and is meeting the minimum
253 projections for attendance or sales tax revenue as required at
254 the time of original certification. If the facility is not
255 certified as meeting the minimum projections, NASCAR, Inc.,
256 shall increase its required advertising contribution of \$2
257 million annually to \$2.5 million annually in lieu of reduction
258 of any funds as provided by s. 212.20. The additional \$500,000
259 must be allocated in its entirety for the use and promotion of
260 generic advertising of this state as determined by the Office of
261 Tourism, Trade, and Economic Development. If the facility is not
262 open to the public or is no longer in use as the only NASCAR
263 Hall of Fame in the United States recognized by NASCAR, Inc.,
264 the entire \$2.5 million for advertising must be used for generic
265 advertising in this state as determined by the Office of
266 Tourism, Trade, and Economic Development.

267 Section 3. This act shall take effect upon becoming a law.

Amendment(s)

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. (for drafter's use only)

Bill No. 887

COUNCIL/COMMITTEE ACTION

ADOPTED _____ (Y/N)
ADOPTED AS AMENDED _____ (Y/N)
ADOPTED W/O OBJECTION _____ (Y/N)
FAILED TO ADOPT _____ (Y/N)
WITHDRAWN _____ (Y/N)
OTHER _____

Council/Committee hearing bill: Tourism Committee
Representative(s) Patterson offered the following:

Amendment (with title amendment)

Remove everything after the enacting clause and insert:

Section 1. Paragraph (d) of subsection (6) of section
212.20, Florida Statutes, is amended to read:

212.20 Funds collected, disposition; additional powers of
department; operational expense; refund of taxes adjudicated
unconstitutionally collected.--

(6) Distribution of all proceeds under this chapter and s.
202.18(1)(b) and (2)(b) shall be as follows:

(d) The proceeds of all other taxes and fees imposed
pursuant to this chapter or remitted pursuant to s. 202.18(1)(b)
and (2)(b) shall be distributed as follows:

1. In any fiscal year, the greater of \$500 million, minus
an amount equal to 4.6 percent of the proceeds of the taxes
collected pursuant to chapter 201, or 5 percent of all other
taxes and fees imposed pursuant to this chapter or remitted
pursuant to s. 202.18(1)(b) and (2)(b) shall be deposited in
monthly installments into the General Revenue Fund.

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. (for drafter's use only)

23 2. Two-tenths of one percent shall be transferred to the
24 Ecosystem Management and Restoration Trust Fund to be used for
25 water quality improvement and water restoration projects.

26 3. After the distribution under subparagraphs 1. and 2.,
27 8.814 percent of the amount remitted by a sales tax dealer
28 located within a participating county pursuant to s. 218.61
29 shall be transferred into the Local Government Half-cent Sales
30 Tax Clearing Trust Fund. Beginning July 1, 2003, the amount to
31 be transferred pursuant to this subparagraph to the Local
32 Government Half-cent Sales Tax Clearing Trust Fund shall be
33 reduced by 0.1 percent, and the department shall distribute this
34 amount to the Public Employees Relations Commission Trust Fund
35 less \$5,000 each month, which shall be added to the amount
36 calculated in subparagraph 4. and distributed accordingly.

37 4. After the distribution under subparagraphs 1., 2., and
38 3., 0.095 percent shall be transferred to the Local Government
39 Half-cent Sales Tax Clearing Trust Fund and distributed pursuant
40 to s. 218.65.

41 5. After the distributions under subparagraphs 1., 2., 3.,
42 and 4., 2.0440 percent of the available proceeds pursuant to
43 this paragraph shall be transferred monthly to the Revenue
44 Sharing Trust Fund for Counties pursuant to s. 218.215.

45 6. After the distributions under subparagraphs 1., 2., 3.,
46 and 4., 1.3409 percent of the available proceeds pursuant to
47 this paragraph shall be transferred monthly to the Revenue
48 Sharing Trust Fund for Municipalities pursuant to s. 218.215. If
49 the total revenue to be distributed pursuant to this
50 subparagraph is at least as great as the amount due from the
51 Revenue Sharing Trust Fund for Municipalities and the former
52 Municipal Financial Assistance Trust Fund in state fiscal year
53 1999-2000, no municipality shall receive less than the amount

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. (for drafter's use only)

54 due from the Revenue Sharing Trust Fund for Municipalities and
55 the former Municipal Financial Assistance Trust Fund in state
56 fiscal year 1999-2000. If the total proceeds to be distributed
57 are less than the amount received in combination from the
58 Revenue Sharing Trust Fund for Municipalities and the former
59 Municipal Financial Assistance Trust Fund in state fiscal year
60 1999-2000, each municipality shall receive an amount
61 proportionate to the amount it was due in state fiscal year
62 1999-2000.

63 7. Of the remaining proceeds:

64 a. In each fiscal year, the sum of \$29,915,500 shall be
65 divided into as many equal parts as there are counties in the
66 state, and one part shall be distributed to each county. The
67 distribution among the several counties shall begin each fiscal
68 year on or before January 5th and shall continue monthly for a
69 total of 4 months. If a local or special law required that any
70 moneys accruing to a county in fiscal year 1999-2000 under the
71 then-existing provisions of s. 550.135 be paid directly to the
72 district school board, special district, or a municipal
73 government, such payment shall continue until such time that the
74 local or special law is amended or repealed. The state covenants
75 with holders of bonds or other instruments of indebtedness
76 issued by local governments, special districts, or district
77 school boards prior to July 1, 2000, that it is not the intent
78 of this subparagraph to adversely affect the rights of those
79 holders or relieve local governments, special districts, or
80 district school boards of the duty to meet their obligations as
81 a result of previous pledges or assignments or trusts entered
82 into which obligated funds received from the distribution to
83 county governments under then-existing s. 550.135. This

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. (for drafter's use only)

84 distribution specifically is in lieu of funds distributed under
85 s. 550.135 prior to July 1, 2000.

86 b. The department shall distribute \$166,667 monthly
87 pursuant to s. 288.1162 to each applicant that has been
88 certified as a "facility for a new professional sports
89 franchise" or a "facility for a retained professional sports
90 franchise" pursuant to s. 288.1162. Up to \$41,667 shall be
91 distributed monthly by the department to each applicant that has
92 been certified as a "facility for a retained spring training
93 franchise" pursuant to s. 288.1162; however, not more than
94 \$208,335 may be distributed monthly in the aggregate to all
95 certified facilities for a retained spring training franchise.
96 Distributions shall begin 60 days following such certification
97 and shall continue for not more than 30 years. Nothing contained
98 in this paragraph shall be construed to allow an applicant
99 certified pursuant to s. 288.1162 to receive more in
100 distributions than actually expended by the applicant for the
101 public purposes provided for in s. 288.1162(6). However, a
102 certified applicant is entitled to receive distributions up to
103 the maximum amount allowable and undistributed under this
104 section for additional renovations and improvements to the
105 facility for the franchise without additional certification.

106 c. Beginning 30 days after notice by the Office of
107 Tourism, Trade, and Economic Development to the Department of
108 Revenue that an applicant has been certified as the professional
109 golf hall of fame pursuant to s. 288.1168 and is open to the
110 public, \$166,667 shall be distributed monthly, for up to 300
111 months, to the applicant.

112 d. Beginning 30 days after notice by the Office of
113 Tourism, Trade, and Economic Development to the Department of
114 Revenue that the applicant has been certified as the

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. (for drafter's use only)

International Game Fish Association World Center facility pursuant to s. 288.1169, and the facility is open to the public, \$83,333 shall be distributed monthly, for up to 168 months, to the applicant. This distribution is subject to reduction pursuant to s. 288.1169. A lump sum payment of \$999,996 shall be made, after certification and before July 1, 2000.

e. Beginning 30 days after notice by the Office of Tourism, Trade, and Economic Development to the Department of Revenue that an applicant has been certified as the NASCAR Hall of Fame facility pursuant to s. 288.1170 and is open to the public, \$100,000 shall be distributed monthly, for up to 300 months, to the applicant.

8. All other proceeds shall remain with the General Revenue Fund.

Section 2. Section 288.1170, Florida Statutes, is created to read:

288.1170 National Association for Stock Car Auto Racing, Inc. (NASCAR) Hall of Fame facility; duties of the Office of Tourism, Trade, and Economic Development.--

(1) The Office of Tourism, Trade, and Economic Development shall serve as the state entity for screening applicants for state funding pursuant to s. 212.20 and for certifying one applicant as the NASCAR Hall of Fame facility in the state.

(2) Prior to certifying the NASCAR Hall of Fame facility, the Office of Tourism, Trade, and Economic Development must determine that:

(a) The NASCAR Hall of Fame facility would be the only NASCAR Hall of Fame in the United States recognized by NASCAR, Inc.

(b) The applicant is a unit of local government as defined in s. 218.369 or a private sector group that has contracted to

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. (for drafter's use only)

146 construct or operate the NASCAR Hall of Fame facility on land
147 owned by a unit of local government.

148 (c) The municipality in which the NASCAR Hall of Fame
149 facility is located, or the county if the facility is located in
150 an unincorporated area, has certified by resolution after a
151 public hearing that the application serves a public purpose.

152 (d) There are existing projections that the NASCAR Hall of
153 Fame facility will attract a paid attendance of more than
154 350,000 annually.

155 (e) There is an independent analysis or study, using
156 methodology approved by the Office of Tourism, Trade, and
157 Economic Development which demonstrates that the amount of the
158 revenues generated by the taxes imposed under chapter 212 with
159 respect to the use and operation of the NASCAR Hall of Fame
160 facility will equal or exceed \$1.2 million annually.

161 (f) Documentation exists that demonstrates that the
162 applicant has provided, is capable of providing, or has
163 financial or other commitments to provide more than one-half of
164 the cost incurred or related to the improvement and development
165 of the facility.

166 (g) The application is signed by an official senior
167 executive of the applicant and is notarized according to the
168 laws of this state providing for penalties for falsification.

169 (3) The applicant may use funds provided pursuant to s.
170 212.20 for the public purpose of paying for the construction,
171 reconstruction, renovation, or operation of the NASCAR Hall of
172 Fame facility, or to pay or pledge for payment of debt service
173 on, or to fund debt service reserve funds, arbitrage rebate
174 obligations, or other amounts payable with respect to, bonds
175 issued for the construction, reconstruction, or renovation of

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. (for drafter's use only)

176 the facility or for the reimbursement of such costs or the
177 refinancing of bonds issued for such purpose.

178 (4) Upon determining that an applicant will or will not be
179 certified, the Office of Tourism, Trade, and Economic
180 Development shall notify the applicant by means of an official
181 letter. If certified, the secretary shall notify the executive
182 director of the Department of Revenue and the applicant of such
183 certification by means of an official letter granting
184 certification. From the date of such certification, the
185 applicant shall have 5 years to open the NASCAR Hall of Fame
186 facility to the public and notify the Office of Tourism, Trade,
187 and Economic Development of such opening. The Department of
188 Revenue shall not begin distributing funds until 30 days
189 following notice by the Office of Tourism, Trade, and Economic
190 Development that the NASCAR Hall of Fame facility is open to the
191 public.

192 (5) The Department of Revenue may audit as provided in s.
193 213.34, to verify that the distributions under this section have
194 been expended as required by this section.

195 (6) The Office of Tourism, Trade, and Economic Development
196 must recertify every 10 years that the facility is open,
197 continues to be the only NASCAR Hall of Fame in the United
198 States recognized by NASCAR, Inc., and is meeting the minimum
199 projections for attendance or sales tax revenue as required at
200 the time of original certification.

201 Section 3. (1) Paragraph (eee) is added to subsection (4)
202 of section 320.08056, Florida Statutes, to read:

203 320.08056 Specialty License plates.--

204 (4) The following license plate annual use fees shall be
205 collected for the appropriate specialty license plates:

206 (eee) NASCAR license plate, \$25.

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. (for drafter's use only)

207 (2) This section shall take effect 30 days after the City
208 of Daytona Beach is designated as the site for the official
209 NASCAR Hall of Fame facility and provisional certification is
210 granted by the Office of Tourism, Trade, and Economic
211 Development.

212 Section 4. (1) Subsection (57) is added to s.320.08058,
213 Florida Statutes, to read:

214 320.08058 Specialty license plates.--

215 (57) NASCAR LICENSE PLATES.--

216 (a) Notwithstanding the provisions of s. 320.08053, the
217 Department of Highway Safety and Motor Vehicles shall develop a
218 NASCAR license plate as provided in this section. The word
219 "Florida" must appear at the top of the plate. The NASCAR Hall
220 of Fame, after consultation with NASCAR, Inc., and the
221 International Speedway Corporation, may submit a sample plate
222 for consideration by the department. An application fee not to
223 exceed \$60,000 as determined and charged by the Department of
224 Highway Safety and Motor Vehicles to defray the department cost
225 of developing the specialty license plate shall be paid to the
226 department by the applicant for the NASCAR Hall of Fame
227 facility.

228 (b) Eighty-five percent of the annual use fee shall be
229 distributed from the Department of Highway Safety and Motor
230 Vehicles to the Florida Department of Revenue for an amount up
231 to \$1.2 million per year to be distributed as provided in s.
232 212.20(6)(d), to offset the monthly tax disbursements for the
233 construction, reconstruction, renovation or operation of the
234 NASCAR Hall of Fame facility in Daytona Beach, Florida. Annual
235 use fees exceeding \$1.2 million annually shall be distributed
236 from the Department of Highway Safety and Motor Vehicles to a
237 Florida not-for-profit entity organized for the purpose of

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. (for drafter's use only)

operating and maintaining the NASCAR Hall of Fame facility, and
such not-for-profit entity shall use revenues for operation,
maintenance, and capital improvement to the NASCAR Hall of Fame
facility.

(c) Ten percent of the annual use fee shall be distributed
from the Department of Highway Safety and Motor Vehicles to
NASCAR, Inc., for the purpose of advertising stock car auto
racing in the State of Florida. Fifteen percent of these
advertising funds shall be distributed for the purpose of
generic advertising for Florida Tourism. Funds under this
paragraph will be distributed in accordance with provisional and
final certification as determined by the Florida Sports
Foundation, a direct support organization of the Office of
Tourism, Trade, and Economic Development.

(d) Five percent of the annual use fee shall be distributed
from the Department of Highway Safety and Motor Vehicles to
NASCAR, Inc., for licensing, royalties, and distribution to a
Florida-based children's charity designated by NASCAR, Inc.,
that is approved by the Office of Tourism Trade, and Economic
Development.

(2) This section shall take effect 30 days after the City
of Daytona Beach is designated as the site for the official
NASCAR Hall of Fame facility and provisional certification is
granted by the Office of Tourism, Trade, and Economic
Development.

Section 5. Except as otherwise provided herein, this act
shall take effect upon becoming a law.

===== T I T L E A M E N D M E N T =====

Remove the entire title and insert:

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. (for drafter's use only)

269 A bill to be entitled
270 An act relating to a NASCAR Hall of Fame facility; amending s.
271 212.20, F.S.; providing for distribution of a portion of
272 revenues from the tax on sales, use, and other transactions to a
273 NASCAR Hall of Fame facility; creating s. 288.1170, F.S.;
274 specifying the Office of Tourism, Trade, and Economic
275 Development as the state entity for screening NASCAR Hall of
276 Fame facility applicants; providing for certification of such
277 facility by the office; providing requirements for certification
278 and operation of the facility; providing for distribution of
279 funds; authorizing certain uses of funds distributed to the
280 facility; providing procedural requirements for the office;
281 limiting distribution of funds by the Department of Revenue;
282 providing for audits by the department; providing for periodic
283 recertification by the office; providing requirements; amending
284 ss. 320.08056 and 320.08058, F.S.; providing for a NASCAR
285 license plate; providing for a use fee; directing the Department
286 of Highway Safety and Motor Vehicles to develop a NASCAR license
287 plate; providing for the distribution and use of fees; providing
288 that development and issuance of the license plate is contingent
289 upon the designation of the City of Daytona Beach as the site
290 for the official NASCAR Hall of Fame facility and provisional
291 certification is granted by the Office of Tourism, Trade, and
292 Economic Development; providing an effective date and contingent
293 effective dates.

294

295 WHEREAS, the National Association for Stock Car Auto
296 Racing, Inc. (NASCAR), founded in 1948, is the preeminent auto
297 racing sanctioning body in the world, and

298 WHEREAS, the City of Daytona Beach is the recognized center
299 of auto racing in the United States and a leading economic

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. (for drafter's use only)

engine, attracting millions of race fans each year to Florida to attend racing events and to participate in related racing activities, and

WHEREAS, NASCAR, Inc., has recently submitted its Request For Proposals to at least four cities in the United States, including the City of Daytona Beach, to develop, fund, and maintain the NASCAR Hall of Fame, and

WHEREAS, the City of Daytona Beach, the County of Volusia, and the State of Florida would benefit greatly by the establishment of the NASCAR Hall of Fame in the cradle of auto racing, the City of Daytona Beach, and

WHEREAS, the NASCAR Hall of Fame facility would receive national and international media promotion and attention to the extent of promoting the quality of life in Florida, so as to attract national and international tourists and sports-related industry, and

WHEREAS, additional generated tourism has a positive impact on both the taxes and economy of the state and additional economic development enhances employment opportunities for Florida citizens as well as expanding the tax base,

WHEREAS, the issuance of a NASCAR license plate would provide a means for racing fans to support the creation of the NASCAR Hall of Fame facility in Florida, NOW THEREFORE,

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1049 Distributions of Sales and Use Tax Proceeds
SPONSOR(S): Simmons and others
TIED BILLS: **IDEN./SIM. BILLS:** SB 2642

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Tourism Committee		Langston <i>GL</i>	McDonald <i>[Signature]</i>
2) Finance & Tax Committee			
3) Transportation & Economic Development Appropriations Committee			
4) State Infrastructure Council			
5) _____			

SUMMARY ANALYSIS

Current law requires the Department of Revenue (department) to distribute a specified amount of tax revenues to applicants certified as professional sports franchise facilities by the Office of Tourism, Trade, and Economic Development (OTTED) within the Office of the Governor as meeting specific requirements outlined in s. 288.1162, F.S. An applicant can be a unit of local government or a private entity. Requirements for certification include such things as relationship with and support of a local unit of government, projections of paid attendance, analysis of sales tax revenue generation, demonstration of ability to provide or having financial or other commitments to provide more than one-half of the costs incurred or related to the acquisition, construction, reconstruction, or renovation of such facilities, and, depending upon whether it is a "new" or "retained" professional sports franchise facility, a commitment by the franchise to use the facility for a minimum of 10 or 20 years. The law caps the number of new and retained professional sports franchise facilities eligible for funding at eight.

Funds distributed by the department can only be used for the public purpose of paying for the acquisition, construction, reconstruction, or renovation of a facility for a new or retained professional sports franchise or to pay or pledge for the payment of debt service on, or to fund debt service reserve funds, arbitrage rebate obligations, or other amounts payable with respect to, bonds issued for such purposes or for the reimbursement of such costs or the refinancing of bonds issued for such purposes.

The department distributes \$166,667 monthly to the applicant that has been certified as the "facility for a new or retained professional sports franchise" for no more than 30 years. Currently, there are seven receiving the distribution of \$2 million per year.

The bill increases the current maximum amount of monthly distribution for a facility for a new or retained professional sports franchise that is certified on or after January 1, 2005 to \$275,000, an increase of \$108,333 per month or \$1.3 million per year for up to 30 years. The bill also increases the existing monthly distribution of \$166,667 to \$275,000 for any previously certified facility that undertakes additional renovations and improvements pursuant to s. 288.1162, F.S., the law which governs the criteria for the original certification, the certification process, and the use of funds based upon the certification. That law, however, does not provide a mechanism for reviewing such funding requests nor requiring the showing of relationship of increased funding to increased sales tax generation for the previously certified facilities.

The bill takes effect upon becoming law.

The fiscal impact on General Revenue by the provisions of the bill range from a minimum of (\$1.3) million per year to a maximum of (\$10.4) million per year for up to 30 years. See "Fiscal Comments" for details.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h1049.TURS.doc
DATE: 2/22/2005

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide Limited Government- The bill increases the responsibilities of the Governor's Office of Tourism, Trade, and Economic Development for the certification created by the bill. See details below.

Ensure Lower Taxes – The bill requires an annual distribution from sales tax revenues depending on the number of facilities undertaking additional renovations or improvements: minimum of \$1.3 million annually to a maximum of more than \$10 million annually to the certified applicant(s). See details below.

B. EFFECT OF PROPOSED CHANGES:

History:

In 1988, with the enactment of Ch. 88-226, LOF, a funding mechanism for state support of the construction of professional sports facilities in Florida was begun. The Department of Commerce was assigned the duties of screening applicants, developing rules for processing applications, and presenting the applications to the Legislature for approval for funding.

It was not until 1991 that the current structure for certification of facilities for professional sports franchises and for funding of \$2 million through distribution of sales tax revenues became law.¹

The first facility, Joe Robbie Stadium (Marlins), was certified in July 1993 but did not begin receiving a distribution of tax revenues until June 1994. The last new or retained professional sports franchise facility to be certified was the American Airlines Arena (Miami Heat) in February 1998 with the distribution of revenue beginning in March 1998.

Present Situation:

Facilities for New and Retained Professional Franchises - Certification

The Governor's Office of Tourism, Trade, and Economic Development (OTTED) can certify a total of eight applicants as "facilities for new or retained professional sports franchises."² An applicant can be a unit of local government or a private entity; however, local government must be responsible for the facility or own the land on which it sits. A "new professional sports franchise" means a professional sports franchise that is not based in this state prior to April 1, 1987 and a "retained professional sports franchise" means a professional sports franchise that has had a league-authorized location in this state on or before December 31, 1976, has continuously remained at that location, and has never been located at a previously certified facility."³

To qualify an applicant for certification as either a "facility for a new professional sports franchise" or a "facility for a retained professional sports franchise", OTTED must determine that:

¹ See Ch 91-274, LOF.

² Currently, seven applicants/facilities have been certified: Broward Co. for Home Depot Stadium (Panthers); Joe Robbie, Inc., for Pro Player Stadium (Marlins); City of Jacksonville for Alltel Stadium (Jaguars); Tampa Bay Sports Authority for St. Pete Times Forum (Tampa Bay Lightning); City of St. Petersburg for Tropicana Field (Tampa Bay Devil Rays); BPL, Ltd., for American Airlines Arena (Miami Heat); and, Hillsborough County for Raymond James Stadium (Tampa Bay Buccaneers)..

³ See s. 288.1162(3)(a) and (b), F.S. The Miami Dolphins is the only team in the state that does not qualify under either definition. By definition, the only team eligible under the definition of "retained professional sports franchise" is the Tampa Bay Buccaneers.

- A unit of local government is responsible for the construction, management, or operation of the professional sports franchise facility or holds title to the property on which the professional sports franchise facility is located;
- Franchise has agreed to use the facility for 10 or 20 years depending on type of franchise;
- Governing league approves;
- Projections indicate 300,000 in paid annual attendance;
- Tax revenues generated will equal or exceed \$2 million annually;
- Local government certifies that facility serves a public purpose;
- Applicant is capable of providing more than 50% of costs incurred or related to the improvement and development of the facility; and,
- Applicant has not been previously certified and received funds for that certification.

Funds to be distributed under s. 212.20, F.S., must be used only for the public purpose of paying for the acquisition, construction, reconstruction, or renovation of a facility for a new or retained professional sports franchise or to pay or pledge for the payment of debt service on, or to fund debt service reserve funds, arbitrage rebate obligations, or other amounts payable with respect to, bonds issued for the acquisition, construction, reconstruction, or renovation of such facility or for the reimbursement of such costs or the refinancing of bonds issued for those purposes.

No facility can be certified more than once. No sports franchise can be the basis for more than one certification unless the previous certification was withdrawn by the facility or invalidated by OTTED before funds were distributed under s. 212.20, F.S., or the previous certification occurred between May 23 and May 25, 1993.⁴ However, any funds distributed pursuant to s. 212.20, F.S., for the second certification shall be offset by the amount distributed to the previous certified facility. Distributions of funds for the second certification shall not be made until all amounts payable for the first certification have been distributed.

Funding – Tax Distribution

Chapter 212, F.S., imposes a state sales and use tax of 6% on retail sales of most tangible personal property, admissions, transient lodgings, commercial rentals, and motor vehicles. Tax collections are deposited by the Department of Revenue (DOR) in the General Revenue Fund of the state and into a variety of trust funds benefiting state agencies and local governments. Section 212.20, F.S., governs the distribution by DOR of tax revenues collected under the provisions of Chapter 212, F.S. Subsection (6) of that section requires DOR to distribute funds to certain certified sports facilities.⁵

Specifically, s. 212.20(6)(d)7.b., F.S., requires DOR to distribute \$166,667 monthly to the applicants certified by OTTED as “facilities for new or retained professional sports franchises” pursuant to s. 288.1162, F.S. Distributions begin 60 days after certification and continue for not more than 30 years.⁶ A certified applicant under the paragraph is not to receive more in distributions than actually expended by the applicant for the public purposes provided for in s. 288.1162(6), F.S. A certified applicant, however, is entitled to receive distributions up to the maximum amount allowable and undistributed under this section for additional renovations and improvements to the facility for the franchise without additional certification.

⁴ See s. 288.1162, F.S.

⁵ Under this paragraph, DOR provides funding to new and retained professional sports franchise facilities and to retained spring training franchise facilities as certified under s. 288.1162, F.S.; the Professional Golf Hall of Fame facility as certified pursuant to s. 288.1168, and to the International Game Fish Association World Center facility as certified pursuant to s. 288.1169, F.S. Each recipient receives a fixed monthly distribution that is set by statute. The law caps the number of new and retained professional sports franchise facilities eligible for funding at eight and requires that no other sports businesses or facilities are entitled to distributions from DOR of tax revenues collected pursuant to Chapter 212, F.S.

⁶ DOR provides funding to at least five facilities for retained spring training franchises certified by OTTED. Up to \$41,667 is distributed monthly to each applicant; however, no more than \$208,335 may be distributed in the aggregate to all such facilities.

Changes Proposed by Bill:

The bill increases the current maximum amount of monthly distribution for a facility for a new or retained professional sports franchise that is certified on or after January 1, 2005 to \$275,000, an increase of \$108,333 per month or \$1.3 million per year for up to 30 years. The bill also increases the existing monthly distribution of \$166,667 to \$275,000 for any previously certified facility that undertakes additional renovations and improvements pursuant to s. 288.1162, F.S., the law which governs the criteria for the original certification, the certification process, and the use of funds based upon the certification. That law, however, does not provide a mechanism for reviewing such funding requests nor for requiring the showing of the relationship of increased funding to increased sales tax generation for the previously certified facilities.

The bill refers to the certification of "new professional sports franchises" and "retained professional sports franchises". Franchises are not certified in s. 288.1162, F.S. Applicants are certified as "facilities for new or retained professional sports franchises."

The bill takes effect upon becoming a law.

C. SECTION DIRECTORY:

Section 1: Amends s. 212.20(6)(d), F.S., relating to the distribution of proceeds under Chapter 212, F.S., and s. 202.18(1)(b) and (2)(b), F.S.; increasing the amount distributed to new or retained professional sports franchises.

Section 2: Provides an effective date of upon becoming a law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

Minimum impact on General Revenue: (\$1.3) million per fiscal year for up to 30 years above current estimates.

Maximum impact on General Revenue: (\$10.4) million per fiscal year for up to 30 years. Note that the length of time for currently certified facilities would vary depending upon the remaining years from the date of distribution of funds from the original certification.

See "Fiscal Comments" for detail.

2. Expenditures:

See "Fiscal Comments".

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

Minimum impact on local government of \$3.3 million per year for up to 30 years because revenues have never been disbursed for the eighth remaining slot; however, only \$1.3 million is above what is currently set aside for the eighth slot. See comments under "Fiscal Impact on State Government".

Maximum impact on local government of \$9.8 million per year for up to 30 years.

See "Fiscal Comments".

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

For the two private sector applicants that are currently certified as "facilities for new professional sports franchises", there is a potential increase in disbursement of General Revenue funds of \$2.6 million per fiscal year for up to 30 years.

What impact the increased funding for the remaining certification or the increased funding for existing certifications will have on the private sector through the use of the funds is not able to be determined.

D. FISCAL COMMENTS:

The Revenue Estimating Conference has not met and estimated the fiscal impact of the provisions of the bill. It is not known when an applicant will be certified as a facility for a new or retained professional sports franchise. It is also not known when nor how many of the currently certified facilities will seek to receive money for additional renovations or improvements to their respective facilities. However, the additional tax revenue distribution for a facility for a new or retained professional sports franchise to fill the eighth slot is \$1.3 million per year above the current \$2 million per year allotted for the slot. Since there is one slot currently available for a new or retained professional sports franchise facility, it could be assumed that this would be an additional \$1.3 million reduction in General Revenue over the next 30 years. The bill, however, refers to any franchise facility that is certified after January 1, 2005. If additional slots are added, the costs for those additional slots will likewise increase to a total General Revenue reduction per slot of \$3.3 million per year for up to 30 years.

The potential maximum reduction in General Revenue per year for previously certified facilities seeking money for additional renovations is \$1.3 million per the seven certified facilities or \$9.1 million reduction per year for up to 30 years.

The additional costs, if any, for administration of the provisions of the bill by the Department of Revenue and OTTED are not known at this time.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds. This bill does not reduce the percentage of a state tax shared with counties or municipalities. This bill does not reduce the authority that municipalities have to raise revenues.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

The sponsor has prepared an amendment to address the drafting issues discussed below.

On lines 92 through 95 of the bill, reference is made to "new or retained professional sports franchises" being certified. This is contrary to the language on lines 88 through 92 of the bill as well as the

certification law which triggers the release of funds.⁷ Franchises are not certified. Applicants are certified as “facilities for a new or retained professional sports franchise.”

On lines 95 through 96, the bill refers to previously certified franchises receiving money for “additional renovations and improvement pursuant to s. 288.1162, F.S.” The cited section pertains to the original certification of these facilities and does not provide a mechanism for any role of OTTED in the receipt of money for purposes other than the original certification. There is, therefore, no requirement for a greater than 50% participation in the costs to be incurred that require the additional funds over a 30 year period; no requirement to show that sales tax revenue generation will meet or exceed the additional sales tax revenue expended, and no review of construction to determine if it is in keeping with the other requirements to make certain that the public purpose of the original certification is maintained. It is unclear how OTTED would approve distributions relating to those facilities undertaking additional renovations and improvements. Also, the word “additional” can be confusing since only two of the originally certified facilities were considered renovations and the remainder were certified as construction.⁸ For all but two, there have not been any renovations or improvements considered for funding.

Finally, the bill does not amend s. 288.1162, F.S., to provide that there is a verified analysis or study indicating that the increased revenue distribution will be offset by sales tax collections.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

⁷ See s. 288.1162, F.S.

⁸ According to the Florida Sports Foundation, Joe Robbie (now Pro Player) and Tropicana Field, are the only two considered to be renovations and not new construction.

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1 A bill to be entitled
2 An act relating to distributions of sales and use tax
3 proceeds; amending s. 212.20, F.S.; increasing a monthly
4 distribution of funds to certain professional sports
5 franchises; providing an effective date.

6
7 Be It Enacted by the Legislature of the State of Florida:

8
9 Section 1. Paragraph (d) of subsection (6) of section
10 212.20, Florida Statutes, is amended to read:

11 212.20 Funds collected, disposition; additional powers of
12 department; operational expense; refund of taxes adjudicated
13 unconstitutionally collected.--

14 (6) Distribution of all proceeds under this chapter and s.
15 202.18(1)(b) and (2)(b) shall be as follows:

16 (d) The proceeds of all other taxes and fees imposed
17 pursuant to this chapter or remitted pursuant to s. 202.18(1)(b)
18 and (2)(b) shall be distributed as follows:

19 1. In any fiscal year, the greater of \$500 million, minus
20 an amount equal to 4.6 percent of the proceeds of the taxes
21 collected pursuant to chapter 201, or 5 percent of all other
22 taxes and fees imposed pursuant to this chapter or remitted
23 pursuant to s. 202.18(1)(b) and (2)(b) shall be deposited in
24 monthly installments into the General Revenue Fund.

25 2. Two-tenths of one percent shall be transferred to the
26 Ecosystem Management and Restoration Trust Fund to be used for
27 water quality improvement and water restoration projects.

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3. After the distribution under subparagraphs 1. and 2., 8.814 percent of the amount remitted by a sales tax dealer located within a participating county pursuant to s. 218.61 shall be transferred into the Local Government Half-cent Sales Tax Clearing Trust Fund. Beginning July 1, 2003, the amount to be transferred pursuant to this subparagraph to the Local Government Half-cent Sales Tax Clearing Trust Fund shall be reduced by 0.1 percent, and the department shall distribute this amount to the Public Employees Relations Commission Trust Fund less \$5,000 each month, which shall be added to the amount calculated in subparagraph 4. and distributed accordingly.

4. After the distribution under subparagraphs 1., 2., and 3., 0.095 percent shall be transferred to the Local Government Half-cent Sales Tax Clearing Trust Fund and distributed pursuant to s. 218.65.

5. After the distributions under subparagraphs 1., 2., 3., and 4., 2.0440 percent of the available proceeds pursuant to this paragraph shall be transferred monthly to the Revenue Sharing Trust Fund for Counties pursuant to s. 218.215.

6. After the distributions under subparagraphs 1., 2., 3., and 4., 1.3409 percent of the available proceeds pursuant to this paragraph shall be transferred monthly to the Revenue Sharing Trust Fund for Municipalities pursuant to s. 218.215. If the total revenue to be distributed pursuant to this subparagraph is at least as great as the amount due from the Revenue Sharing Trust Fund for Municipalities and the former Municipal Financial Assistance Trust Fund in state fiscal year 1999-2000, no municipality shall receive less than the amount

56 due from the Revenue Sharing Trust Fund for Municipalities and
57 the former Municipal Financial Assistance Trust Fund in state
58 fiscal year 1999-2000. If the total proceeds to be distributed
59 are less than the amount received in combination from the
60 Revenue Sharing Trust Fund for Municipalities and the former
61 Municipal Financial Assistance Trust Fund in state fiscal year
62 1999-2000, each municipality shall receive an amount
63 proportionate to the amount it was due in state fiscal year
64 1999-2000.

65 7. Of the remaining proceeds:

66 a. In each fiscal year, the sum of \$29,915,500 shall be
67 divided into as many equal parts as there are counties in the
68 state, and one part shall be distributed to each county. The
69 distribution among the several counties shall begin each fiscal
70 year on or before January 5th and shall continue monthly for a
71 total of 4 months. If a local or special law required that any
72 moneys accruing to a county in fiscal year 1999-2000 under the
73 then-existing provisions of s. 550.135 be paid directly to the
74 district school board, special district, or a municipal
75 government, such payment shall continue until such time that the
76 local or special law is amended or repealed. The state covenants
77 with holders of bonds or other instruments of indebtedness
78 issued by local governments, special districts, or district
79 school boards prior to July 1, 2000, that it is not the intent
80 of this subparagraph to adversely affect the rights of those
81 holders or relieve local governments, special districts, or
82 district school boards of the duty to meet their obligations as
83 a result of previous pledges or assignments or trusts entered

84 into which obligated funds received from the distribution to
85 county governments under then-existing s. 550.135. This
86 distribution specifically is in lieu of funds distributed under
87 s. 550.135 prior to July 1, 2000.

88 b. The department shall distribute \$166,667 monthly
89 pursuant to s. 288.1162 to each applicant that has been
90 certified as a "facility for a new professional sports
91 franchise" or a "facility for a retained professional sports
92 franchise" pursuant to s. 288.1162, except that for new or
93 retained professional sports franchises certified on or after
94 January 1, 2005, and for previously certified new and retained
95 professional sports franchises undertaking additional
96 renovations and improvements pursuant to s. 288.1162, such
97 distribution shall be \$275,000. Up to \$41,667 shall be
98 distributed monthly by the department to each applicant that has
99 been certified as a "facility for a retained spring training
100 franchise" pursuant to s. 288.1162; however, not more than
101 \$208,335 may be distributed monthly in the aggregate to all
102 certified facilities for a retained spring training franchise.
103 Distributions shall begin 60 days following such certification
104 and shall continue for not more than 30 years. Nothing contained
105 in this paragraph shall be construed to allow an applicant
106 certified pursuant to s. 288.1162 to receive more in
107 distributions than actually expended by the applicant for the
108 public purposes provided for in s. 288.1162(6). However, a
109 certified applicant is entitled to receive distributions up to
110 the maximum amount allowable and undistributed under this

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111 section for additional renovations and improvements to the
112 facility for the franchise without additional certification.

113 c. Beginning 30 days after notice by the Office of
114 Tourism, Trade, and Economic Development to the Department of
115 Revenue that an applicant has been certified as the professional
116 golf hall of fame pursuant to s. 288.1168 and is open to the
117 public, \$166,667 shall be distributed monthly, for up to 300
118 months, to the applicant.

119 d. Beginning 30 days after notice by the Office of
120 Tourism, Trade, and Economic Development to the Department of
121 Revenue that the applicant has been certified as the
122 International Game Fish Association World Center facility
123 pursuant to s. 288.1169, and the facility is open to the public,
124 \$83,333 shall be distributed monthly, for up to 168 months, to
125 the applicant. This distribution is subject to reduction
126 pursuant to s. 288.1169. A lump sum payment of \$999,996 shall be
127 made, after certification and before July 1, 2000.

128 8. All other proceeds shall remain with the General
129 Revenue Fund.

130 Section 2. This act shall take effect upon becoming a law.

Amendments

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 1 (for drafter's use only)

Bill No. 1049

COUNCIL/COMMITTEE ACTION

ADOPTED _____ (Y/N)
ADOPTED AS AMENDED _____ (Y/N)
ADOPTED W/O OBJECTION _____ (Y/N)
FAILED TO ADOPT _____ (Y/N)
WITHDRAWN _____ (Y/N)
OTHER _____

Council/Committee hearing bill: Tourism Committee
Representative(s) Simmons offered the following:

Amendment (with title amendment)

Remove line(s) 92-96 and insert:

franchise" pursuant to s. 288.1162; however, for each applicant
that has been certified as a "facility for a new professional
sports franchise" or a "facility for a retained professional
sports franchise" on or after January 1, 2005, such distribution
shall be \$275,000 monthly

===== T I T L E A M E N D M E N T =====

Remove line 4 and insert:

distribution of funds to applicants certified as facilities for
certain professional sports

000000



HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 2 (for drafter's use only)

Bill No. 1049

COUNCIL/COMMITTEE ACTION

ADOPTED	___ (Y/N)
ADOPTED AS AMENDED	___ (Y/N)
ADOPTED W/O OBJECTION	___ (Y/N)
FAILED TO ADOPT	___ (Y/N)
WITHDRAWN	___ (Y/N)
OTHER	_____

1 Council/Committee hearing bill: Tourism Committee
2 Representative(s) Simmons offered the following:

3
4 **Amendment (with title amendment)**

5 Between lines 129 and 130 insert:

6
7 Section 2. Paragraph (e) of subsection (4) of section
8 288.1162, F.S., is amended to read:

9 288.1162 Professional sports franchises; spring training
10 franchises; duties.--

11 (4) Prior to certifying an applicant as a "facility for a
12 new professional sports franchise" or a "facility for a retained
13 professional sports franchise," the Office of Tourism, Trade,
14 and Economic Development must determine that:

15 (e) The applicant has an independent analysis or study,
16 verified by the Office of Tourism, Trade, and Economic
17 Development, which demonstrates that the amount of the revenues
18 generated by the taxes imposed under chapter 212 with respect to
19 the use and operation of the professional sports franchise
20 facility will equal or exceed the amount of annual distribution

000000

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 2 (for drafter's use only)

for which the applicant is eligible under s. 212.20 \$2 million
annually.

===== T I T L E A M E N D M E N T =====


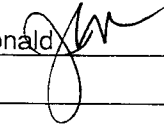
Remove lines 2 - 5 and insert:

An act relating to facilities for professional sports
franchises; amending s. 212.20, F.S.; increasing a monthly
distribution of funds to applicants certified as facilities for
certain professional sports franchises; amending s. 288.1162,
F.S.; conforming certification requirements to changes in
distribution of funds to applicants certified as facilities for
certain professional sports franchises; providing an effective
date.

000000

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1287 Professional Sports Franchises
SPONSOR(S): Lopez-Cantera and others
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Tourism Committee</u>		Langston 	McDonald 
2) <u>Finance & Tax Committee</u>			
3) <u>Transportation & Economic Development Appropriations Committee</u>			
4) <u>State Infrastructure Council</u>			
5) _____			

SUMMARY ANALYSIS

Current law requires the Department of Revenue (department) to distribute a specified amount of tax revenues to applicants certified as professional sports franchise facilities by the Office of Tourism, Trade, and Economic Development (OTTED) within the Office of the Governor as meeting specific requirements outlined in s. 288.1162, F.S. An applicant can be a unit of local government or a private entity. Requirements for certification include such things as relationship with and support of a local unit of government, projections of paid attendance, analysis of sales tax revenue generation, demonstration of ability to provide or having financial or other commitments to provide more than one-half of the costs incurred or related to the acquisition, construction, reconstruction, or renovation of such facilities, and, depending upon whether it is a "new" or "retained" professional sports franchise facility, a commitment by the franchise to use the facility for a minimum of 10 or 20 years. The law caps the number of new and retained professional sports franchise facilities eligible for funding at eight. Additionally, the certification of a facility would end if the franchise that qualified the facility for certification left and any remaining franchise does not qualify as a "new professional sports franchise," "retained professional sports franchise," or "retained spring training franchise." The type of franchise would have to be the same as that for which the original certification was made.

The department distributes \$166,667 monthly to the applicant that has been certified as the "facility for a new or retained professional sports franchise" for no more than 30 years. Currently, there are seven receiving the distribution of \$2 million per year. Funds distributed by the department can only be used for public purposes delineated in s. 288.1162, F.S.

This bill creates a ninth certification slot for an applicant for a "facility for a new or retained professional sports franchise". The bill permits a facility to remain qualified for certification if the professional sport franchise, upon which the facility's original certification was based, leaves for another facility when: (1) the facility served as the home for two professional sports franchises; and (2) the franchise used as the basis for the original certification is used as the basis for the certification of a new facility. The sports franchise remaining at the original facility is deemed to be the franchise which formed the basis of the original certification, regardless of whether or not it would have qualified under existing definitions of new or retained professional sports franchise. The length of disbursement and amount of money for the facility that remains certified are to remain as if no changes had occurred. The franchise for which the certification had originally been made is considered to be a franchise that has not been the subject of a previous certification. The applicant that uses that franchise is not bound by any earlier funding constraints outlined in law; however, disbursements cannot begin until July 1, 2006.

Allowing one additional applicant to be certified by OTTED as a facility for a new professional sports franchise or a facility for a retained professional sports franchise will have a recurring negative fiscal impact to General Revenue of \$2 million beginning in FY 06-07 and continuing for 30 years.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide Limited Government- The bill increases responsibilities for OTTED & DOR relating to the certification and distribution processes related to facilities for new professional sports franchises.

Ensure Lower Taxes – The bill requires an annual distribution from sales tax revenues of \$2 million for an additional certification slot for a facility for a new professional sports franchise. See details below.

B. EFFECT OF PROPOSED CHANGES:

History:

In 1988, with the enactment of Ch. 88-226, LOF, a funding mechanism for state support of the construction of professional sports facilities in Florida was begun. The Department of Commerce was assigned the duties of screening applicants, developing rules for processing applications, and presenting the applications to the Legislature for approval for funding.

It was not until 1991 that the current structure for certification of facilities for professional sports franchises and for funding of \$2 million through distribution of sales tax revenues became law.¹

The first facility, Joe Robbie Stadium (Marlins), was certified in July 1993 but did not begin receiving a distribution of tax revenues until June 1994. The last new or retained professional sports franchise facility to be certified was the American Airlines Arena (Miami Heat) in February 1998 with the distribution of revenue beginning in March 1998.

Present Situation:

Facilities for New and Retained Professional Franchises - Certification

The Governor's Office of Tourism, Trade, and Economic Development (OTTED) can certify a total of eight applicants as "facilities for new or retained professional sports franchises."² An applicant can be a unit of local government or it can be a private entity; however, local government must be responsible for the facility or own the land on which it sits. A "new professional sports franchise" means a professional sports franchise that is not based in this state prior to April 1, 1987 and a "retained professional sports franchise" means a professional sports franchise that has had a league-authorized location in this state on or before December 31, 1976, and has continuously remained at that location, and has never been located at a previously certified facility."³

To qualify an applicant for certification as either a "facility for a new professional sports franchise" or a "facility for a retained professional sports franchise", OTTED must determine that

- A unit of local government is responsible for the construction, management, or operation of the professional sports franchise facility or holds title to the property on which the professional sports franchise facility is located;

¹ See Ch 91-274, LOF.

² Currently, seven applicants/facilities have been certified: Broward Co. for Home Depot Stadium (Panthers); Joe Robbie, Inc., for Pro Player Stadium (Marlins); City of Jacksonville for Alltel Stadium (Jaguars); Tampa Bay Sports Authority for St. Pete Times Forum (Tampa Bay Lightning); City of St. Petersburg for Tropicana Field (Tampa Bay Devil Rays); BPL, Ltd., for American Airlines Arena (Miami Heat); and, Hillsborough County for Raymond James Stadium (Tampa Bay Buccaneers).

³ See s. 288.1162(3)(a) and (b), F.S. The Miami Dolphins is the only team in the state that does not qualify under either definition. By definition, the only team eligible under the definition of "retained professional sports franchise" is the Tampa Bay Buccaneers.

- A unit of local government is responsible for the construction, management, or operation of the professional sports franchise facility or holds title to the property on which the professional sports franchise facility is located;
- Franchise has agreed to use the facility for 10 or 20 years depending on type of franchise;
- Governing league approves;
- Projections indicate 300,000 in paid annual attendance;
- Tax revenues generated will equal or exceed \$2 million annually;
- Local government certifies that facility serves a public purpose;
- Applicant is capable of providing more than 50% of costs incurred or related to the improvement and development of the facility; and,
- Applicant has not been previously certified and received funds for that certification.

Funds to be distributed under s. 212.20, F.S., must be used only for the public purpose of paying for the acquisition, construction, reconstruction, or renovation of a facility for a new or retained professional sports franchise or to pay or pledge for the payment of debt service on, or to fund debt service reserve funds, arbitrage rebate obligations, or other amounts payable with respect to, bonds issued for the acquisition, construction, reconstruction, or renovation of such facility or for the reimbursement of such costs or the refinancing of bonds issued for those purposes.

No facility can be certified more than once. No sports franchise can be the basis for more than one certification unless the previous certification was withdrawn by the facility or invalidated by OTTED before funds were distributed under s. 212.20, F.S., or the previous certification occurred on May 24, 1993.⁴ However, any funds distributed pursuant to s. 212.20, F.S., for the second certification shall be offset by the amount distributed to the previous certified facility. Distributions of funds for the second certification shall not be made until all amounts payable for the first certification have been distributed.

Currently, the certification of a facility would end if the franchise that qualified the facility for certification left and any remaining franchise does not qualify as a "new professional sports franchise," "retained professional sports franchise," or "retained spring training franchise." The type of franchise would have to be the same as that for which the original certification was made.

Funding – Tax Distribution

Chapter 212, F.S., imposes a state sales and use tax of 6% on retail sales of most tangible personal property, admissions, transient lodgings, commercial rentals, and motor vehicles. Tax collections are deposited by the Department of Revenue (DOR) in the General Revenue Fund of the state and into a variety of trust funds benefiting state agencies and local governments. Section 212.20, F.S., governs the distribution by DOR of tax revenues collected under the provisions of Chapter 212, F.S. Subsection (6) of that section requires DOR to distribute funds to certain certified sports facilities.⁵

Specifically, s. 212.20(6)(d)7.b., F.S., requires DOR to distribute \$166,667 monthly to the applicants certified by OTTED as "facilities for new or retained professional sports franchises" pursuant to s. 288.1162, F.S. Distributions begin 60 days after certification and continue for not more than 30 years.⁶ A certified applicant under the paragraph is not to receive more in distributions than actually expended by the applicant for the public purposes provided for in s. 288.1162(6), F.S. A certified applicant, however, is entitled to receive distributions up to the maximum amount allowable and undistributed

⁴ See s. 288.1162, F.S.

⁵ Under this paragraph, DOR provides funding to new and retained professional sports franchise facilities and to retained spring training franchise facilities as certified under s. 288.1162, F.S.; the Professional Golf Hall of Fame facility as certified pursuant to s. 288.1168, and to the International Game Fish Association World Center facility as certified pursuant to s. 288.1169, F.S. Each recipient receives a fixed monthly distribution that is set by statute. The law caps the number of new and retained professional sports franchise facilities eligible for funding at eight and requires that no other sports businesses or facilities are entitled to distributions from DOR of tax revenues collected pursuant to Chapter 212, F.S.

⁶ DOR provides funding to at least five facilities for retained spring training franchises certified by OTTED. Up to \$41,667 is distributed monthly to each applicant; however, no more than \$208,335 may be distributed in the aggregate to all such facilities.

under this section for additional renovations and improvements to the facility for the franchise without additional certification.

Memorandum of Understanding Provided to Legislature

On March 8, 2005, a "Memorandum of Understanding & Project Overview" of a new Baseball facility was prepared for the Florida State Legislature. The parties to the agreement include Miami-Dade County, the City of Miami, and the Florida Marlins. The Memorandum of Understanding provides the general terms and conditions with respect to the design, development, construction and operations of a Major League Baseball facility and related parking facilities. The ballpark plans include a retractable roof, natural grass, and approximately 38,000 seats.

The local and state government funding provisions are listed below:

Local Government Participation

Ballpark	\$360,000,000
Parking Garage	\$32,000,000
Land & Infrastructure	\$28,000,000
TOTAL PROJECT COSTS	\$420,000,000
Team Pledge	
Team Rent (County Debt)	\$162,000,000
Team Contribution	\$30,000,000
County Pledge	
PST (Sports Tax)	\$48,000,000
CDT (includes \$60 million City debt issuance per inter local)	\$90,000,000
City Pledge	
TDT	\$28,000,000
Parking Revenues	\$32,000,000
TOTAL FUNDS	\$390,000,000
Funding Gap(State Funding)	\$30,000,000

EFFECT OF PROPOSED CHANGES

The bill amends s. 288.1162(7), F.S., to increase from eight to nine the number of applicants that may be certified by OTTED as a "facility for a new professional sports franchise" or a "facility for a retained professional sports franchise."

The bill also amends s. 288.1162(9), F.S., to permit a facility to remain qualified for certification if the professional sports franchise, upon which the facility's original certification was based, leaves for another facility when:

- the facility served as the home for two professional sports franchises; and,
- the franchise used as the basis for the original certification is used as the basis for the certification of a new facility.

The sports franchise remaining at the original facility is deemed to be the franchise which formed the basis of the original certification, regardless of whether or not it would have qualified under existing definitions of new or retained professional sports franchise.

The length of disbursement and amount of money for the facility that remains certified are to remain as if no changes had occurred. The franchise for which the certification had originally been made is considered to be a franchise that has not been the subject of a previous certification. The applicant that uses that franchise is not bound by any earlier funding constraints outlined in law; however, disbursements cannot begin until July 1, 2006.

In fact, the bill provides that any applicant that is certified after the effective date of the act cannot receive disbursements until July 1, 2006. The effective date of the bill is upon becoming a law.

The only possible application of the changes proposed in the law is for the current situation of the Marlins and Dolphins at Pro Player Stadium (Dolphin Stadium). The bill would allow another applicant to be certified as a facility for the Florida Marlins and to receive revenue disbursements for that certification without having to wait for disbursements to begin after the completion of the disbursements for the first certification, or to have disbursements be offset by the disbursements of the first certification. The current applicant certified as a "facility for a new professional franchise" for the Marlins would retain its current disbursements but the Miami Dolphins, rather than the Marlins, would be considered the "new professional sports franchise" that serves as the basis for the certification.

C. SECTION DIRECTORY:

Section 1: Amends ss. 288.1162 (7) and (9), F.S., relating to professional sports franchises; spring training franchises; duties; expands the number of slots; provides exceptions for certification disqualification; provides limitation on length of payment.

Section 2: Provides notwithstanding any other provision of law, an applicant that is certified after the effective date of this act by OTTED as a facility for a new professional sports franchise or a facility for a retained professional sports franchise may not receive disbursements until July 1, 2006.

Section 3: Provides an effective date of upon becoming law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

General Revenue	<u>FY 05-06</u>	<u>FY 06-07</u>	<u>FY 07-08</u>
	-0-	(\$2 million)	(\$2 million)

See "Fiscal Comments."

2. Expenditures:

Minimal. See "Fiscal Comments."

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:	<u>FY 05-06</u>	<u>FY 06-07</u>	<u>FY 07-08</u>
Local Revenue	-0-	\$2 million	\$2 million

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

At this time the exact impact on the private sector is not able to be determined.

D. FISCAL COMMENTS:

Allowing one additional applicant to be certified by OTTED as a facility for a new professional sports franchise or a facility for a retained professional sports franchise will have a recurring negative fiscal impact to General Revenue of \$2 million beginning in FY 06/07 and continuing for 30 years for a total General Revenue loss of \$60 million. It will have an impact on OTTED and the Florida Sports Foundation with regard to the application review and certification process for the new certification slot created by the bill. Information has been requested from OTTED but has not been provided at this time.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not require municipalities or counties to expend funds, does not reduce their authority to raise revenue, and does not reduce the percentage of a state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

On line 67 of the bill, there is an incorrect statutory reference: s. 228.1162, Florida Statutes, should be s. 288.1162, Florida Statutes.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

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1 A bill to be entitled

2 An act relating to professional sports franchises;
3 amending s. 288.1162, F.S.; increasing the number of
4 facilities certified by the Office of Tourism, Trade, and
5 Economic Development as facilities for a new professional
6 sports franchise or as facilities for a retained
7 professional sports franchise; providing an additional
8 exception to disqualification for certification of an
9 applicant when the franchise formed the basis of a
10 previous certification; providing that payments to a
11 certified applicant may not extend beyond the period for
12 which the original certification was issued; specifying
13 the date on which an applicant certified after the
14 effective date of the act may receive disbursements;
15 providing an effective date.
16

17 Be It Enacted by the Legislature of the State of Florida:
18

19 Section 1. Subsections (7) and (9) of section 288.1162,
20 Florida Statutes, are amended to read:

21 288.1162 Professional sports franchises; spring training
22 franchises; duties.--

23 (7) The Office of Tourism, Trade, and Economic Development
24 shall notify the Department of Revenue of any facility certified
25 as a facility for a new professional sports franchise or a
26 facility for a retained professional sports franchise or as a
27 facility for a retained spring training franchise. The Office of
28 Tourism, Trade, and Economic Development shall certify no more

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than ~~nine~~ ~~eight~~ facilities as facilities for a new professional sports franchise or as facilities for a retained professional sports franchise and shall certify at least five as facilities for retained spring training franchises, including in such total any facilities certified by the Department of Commerce before July 1, 1996. The office may make no more than one certification for any facility. The office may not certify funding for less than the requested amount to any applicant certified as a facility for a retained spring training franchise.

(9)(a) An applicant is not qualified for certification under this section if the franchise formed the basis for a previous certification, unless:

1. The previous certification was withdrawn by the facility or invalidated by the Office of Tourism, Trade, and Economic Development or the Department of Commerce before any funds were distributed pursuant to s. 212.20; ~~or-~~

2. The previous certification was for an applicant that served as the home facility for two professional sports franchises and the franchise was used as a basis for the certification of a new applicant. Notwithstanding any other provision of this section, the franchise continuing to use the original applicant shall be deemed the franchise forming the basis of the previous certification and the previous certification shall continue to apply for the time period permitted from the original date of certification.

(b) This subsection does not disqualify an applicant if the previous certification occurred between May 23, 1993, and May 25, 1993; however, any funds to be distributed pursuant to

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57 s. 212.20 for the second certification shall be offset by the
58 amount distributed to the previous certified facility.
59 Distribution of funds for the second certification shall not be
60 made until all amounts payable for the first certification have
61 been distributed.

62 (c) Payments to a certified applicant may not extend
63 beyond the period for which the original certification was
64 issued.

65 Section 2. Notwithstanding any other provision of law, an
66 applicant that is certified after the effective date of this act
67 pursuant to s. 228.1162, Florida Statutes, by the Office of
68 Tourism, Trade, and Economic Development as a facility for a new
69 professional sports franchise or a facility for a retained
70 professional sports franchise may not receive disbursements
71 pursuant to s. 212.20(6)(d)7.b., Florida Statutes, until July 1,
72 2006.

73 Section 3. This act shall take effect upon becoming a law.

Amendment(s)

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 1 (for drafter's use only)

Bill No. 1287

COUNCIL/COMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

Council/Committee hearing bill: Tourism Committee
Representative(s) Zapata offered the following:

Amendment (with directory and title amendments)

Between line(s) 22 and 23 insert:

(4) Prior to certifying an applicant as a "facility for a new professional sports franchise" or a "facility for a retained professional sports franchise," the Office of Tourism, Trade, and Economic Development must determine that:

(h) The applicant for a facility for a new professional sports franchise has a verified copy of a binding agreement with the new professional sports franchise that requires the franchise to pay for any cost overrun when the franchise was used as the basis for the original certification of the applicant described in paragraph (a) of subsection (9) and is the basis for the current certification request.

(i) ~~(h)~~ No applicant previously certified under any provision of this section who has received funding under such certification shall be eligible for an additional certification.

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HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 1 (for drafter's use only)

===== D I R E C T O R Y A M E N D M E N T =====

Remove line 19 and insert:

Section 1. Current paragraph (h) of subsection (4) is redesignated as paragraph (i) and a new paragraph (h) is added to said subsection and subsections (7) and (9) of section 288.1162,

===== T I T L E A M E N D M E N T =====

Remove line 3 and insert:

amending s. 288.1162, F.S.; requiring verified copy of binding agreement for payment of cost overruns as contingency for certification under certain circumstances; increasing the number of

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Public Funding for Professional Sports Facilities – An Overview

Prepared by
Staff of
Tourism Committee
Florida House of Representatives

Laws Governing Professional Sports

Facilities

Certification

- s. 288.1162, F.S.
- s. 288.1168, F.S.
- s. 288.1169, F.S.

Funding Distribution

- s. 212.20(6)(d)7.b.-d., F.S.

When did it all begin?

- In 1988 with the enactment of Ch. 88-226
- The law established a funding mechanism for state support of the construction of professional sports facilities within Florida. The Department of Commerce was assigned the duties of screening applicants, developing rules for processing applications, and presenting the applications to the Legislature for approval for funding.

Why?

- Legislature recognizes that the location of professional sports franchises in the state represents nonpolluting economic development for the state and promotes tourism and recreation, improves the prosperity and welfare of the state and its citizens, and such public purposes implement the governmental purposes under the State Constitution of providing for the health, safety, and welfare of the people, and
- Several cities and counties are currently actively involved in attracting professional sports franchises to Florida, and
- Other states have recognized that attracting and keeping professional sports franchises produces both immediate benefits to the state and local area through the construction of an appropriate sports facility and long-term benefits in terms of economic growth and development in and
- around the facility, and the Legislature recognizes such benefits to the state, and
- Significant levels of resources are necessary to attract professional sports franchises to the state and to be competitive with other states, and
- Legislature recognizes, that although the funding necessary to attract professional sports franchises to the state is primarily the responsibility of local areas interested in development, such development produces a significant benefit to the state as a whole and is an appropriate public purpose for the expenditure of state funds.

What, Who, How & How Much

- What are the current types of certification?
- What is meant by “new”, “retained”, and “retained spring training”?
- Who applies for certification?
- Who certifies?
- Are there limitations on certifications?
- What must an applicant do to be certified as a “facility”?
- How much money can a certified facility receive?
- What are the allowable uses of funds?
- What are the differences in the certification requirements for “new”, “retained”, and “retained spring training” facilities?
- What about the other types of facility certifications: how do these differ from the other sports facility certifications?

What are the Current Types of Certifications?

- “Facility for a New Professional Sports Franchise” and “Facility for a New Spring Training Franchise”, created in 1988
- “Facility for a Retained Professional Sports Franchise”, created in 1995
- “Facility for a Retained Spring Training Franchise” created in 2000
- “Facility for a New Spring Training Franchise”, deleted in 2000, replaced with “facility for retained spring training”
- Professional Golf Hall of Fame Facility, created in 1993
- International Game Fish Association World Center facility, created in 1996

What is meant by “new”, “retained”, and “retained spring training”

- “New professional sports franchise” is a professional sports franchise that is not based in this state prior to April 1, 1987.
- “Retained professional sports franchise” is a professional sports franchise that has had a league-authorized location in this state on or before December 31, 1976, and has continuously remained at that location, and has never been located at a facility that has been previously certified under any provision of this section.
- “Retained spring training franchise” is a spring training franchise that has been based in this state prior to January 1, 2000.

Who Applies for Certification for those facilities?

- A **FACILITY** is certified, **not** a franchise. An applicant is certified as the “facility for a new, retained, or spring training sports franchise”
- An applicant can be a unit of local government or it can be a private entity; however,
 - a “unit of local government” must be responsible for the construction, management, or operation of the professional sports franchise facility or holds title to the property on which the professional sports franchise facility is located
 - a “unit of local government” must be responsible for the **acquisition**, construction, management, or operation of the facility for a retained spring training franchise or holds title to the property on which the facility is located. (*Funds cannot be expended to subsidize privately owned and maintained facilities for use by the spring training franchise.*)
- Only two applicants have been private entities: Joe Robbie, Inc., for Pro Player Stadium (Marlins) and BPL, Ltd., for American Airlines Arena (Miami Heat) .

Who certifies?

- The Office of Tourism, Trade & Economic Development (OTTED) has responsibility for certifying all applicants for funding under ss. 288.1162, 288.1168, and 288.1169, F.S.
- OTTED uses the Florida Sports Foundation to review all the applications and make recommendations to OTTED.
- OTTED has the final authority.

Are there limitations on certifications?

- Only 8 facilities can be certified for “new” or “retained” professional sports franchises.
Currently, 7 have been certified. Broward Co. for Home Depot Stadium (Panthers); Joe Robbie, Inc., for Pro Player Stadium (Marlins); City of Jacksonville for Alltel Stadium (Jaguars); Tampa Bay Sports Authority for St. Pete Times Forum (Tampa Bay Lightning); City of St. Petersburg for Tropicana Field (Tampa Bay Devil Rays); and BPL, Ltd., for American Airlines Arena (Miami Heat),
- **At least 5 facilities can be certified for “retained spring training”**. Lakeland Joker Marchant Stadium (Detroit Tigers); Dunedin Grant Field (Toronto Blue Jays); Indian River (Los Angeles Dodgers); Osceola County (Kissimmee) Osceola County Stadium (Houston Astros); Clearwater Bright House Networks Stadium (Philadelphia Phillies)

What must an applicant do to be certified as a “facility”?

“Facilities for New & Retained Professional Sports Franchises”

OTTED must determine that:

- Unit of local government is responsible for construction, management, or operation of the facility or holds title to the property on which the facility is located.
- Applicant has a verified copy of signed agreement with a new professional sports franchise for use of facility for at least 10 years or 20 years for a retained professional sports franchise.
- Applicant has verified copy of approval of governing authority of league.
- Applicant has projections, verified by OTTED, demonstrating ability to attract paid annual attendance of 300,000.
- Applicant has independent analysis or study, verified by OTTED, demonstrating that tax revenues generated will equal or exceed \$2 M annually.
- Municipality or county in which facility is to be located has certified by resolution that facility serves a public purpose.
- Applicant is capable of providing or has financial or other commitments to provide more than 50% of the costs incurred or related to the improvement and development of the facility.
- Applicant has not been previously certified under s. 288.1162, F.S., and received funding for the certification.

What must an applicant do to be certified as a “facility”?

“Facility for a Retained Spring Training Franchise”

OTTED must determine that:

- Unit of local government is responsible for acquisition, construction, management, or operation of the facility or holds title to the property on which the facility is located.
- Applicant has a verified copy of signed agreement with a retained spring training franchise for use of facility for at least 15 years.
- Applicant has projections, verified by OTTED, demonstrating ability to attract paid annual attendance of 50,000.
- Applicant is capable of providing or has financial or other commitments to provide more than 50% of the costs required for acquisition, construction, or renovation of the facility.
- The facility is located in a county that is levying a tourist development tax pursuant to s. 125.0104, F.S.
- Additional criteria was provided in law in case there were more than 5 applicants. Criteria was to assist in competitive evaluation and ranking.

How much money can a certified facility receive?
When is the money disbursed?

- Facilities for new or retained professional sports franchises receive \$166,667 monthly for 30 years (\$2 M/yr)
- Retained spring training franchise facilities receive *up to* \$41,667 monthly for up to 30 years; however, the aggregate monthly total cannot exceed \$208,335. This equates to \$2.5 M/yr.
- Unless otherwise provided in law, within 60 days after the Department of Revenue receives notification of certification from OTTED, the first disbursement of funds will be made.

What are the allowable uses of funds?

- Only for the public purpose of paying for the acquisition, construction, reconstruction, or renovation of a facility authorized under s. 288.1162, F.S., or to pay or pledge for the payment of debt service on, or to fund debt service reserve funds, arbitrage rebate obligations, or other amounts payable with respect to, bonds issued for the construction, reconstruction, or renovation of such facility or for the reimbursement of such costs or the refinancing of bonds issued for such purposes.
- Funds for facilities for retained spring training franchises cannot be used to subsidize privately owned and maintained facilities for use by the spring training franchise. Funds may be used to relocate a retained spring training franchise to another unit of local government only if the existing unit of local government with the retained spring training franchise agrees to the relocation.

What are the differences in certification requirements for “new”, “retained”, and “retained spring training” facilities?

- Franchises for a facility for a “new professional sports franchise” must sign an agreement to stay in the facility for **10 years**; franchise for a facility for a “retained professional sports franchise” must sign an agreement to stay in the facility for **20 years**; retained spring training franchises must agree to stay for **15 years**.
- The applicant must have a verified approval from the governing authority of the league authorizing the location of the franchise in the state or verifying its length of existence in the state (new or retained). This is not required for “retained spring training”.
- Projections for paid annual attendance is 300,000 for new and retained professional sports; 50,000 for retained spring training.
- Spring training facility must be located in county levying tourist development tax.
- New and retained professional requires the applicant to have an independent analysis showing that the amount of revenues generated by the taxes imposed under ch 212, F.S., with respect to the use and operation of the professional sports franchise facility will equal or exceed \$2 M annually. Not required for retained spring training.
- New and retained professional requires a demonstrated capability to or financial commitments to fund more than half of costs incurred or related to the **improvement and development of the facility**. Spring training requires a financial commitment to provide 50% or more for **acquisition, construction or renovation** of facility; contingent upon awarding of funds.
- Additional criteria were required to rank spring training under certain circumstances.

What about the other types of facility certifications: how do these differ from the other sports certifications?

The Professional Golf Hall of Fame and International Game Fish Association World Center (IGFA) facility differ from the other facility certifications in the following ways:

- Both facilities must be certified to be the only one of its kind in the United States.
- Applicant for Professional Golf Hall of Fame is a unit of local government or a private sector group that has contracted to construct or operate the golf hall of fame on land owned by a unit of local government. (*similar to the other certifications*)
- IGFA is a not-for-profit Florida corporation that has contracted to construct and operate the facility. One or more private sector concerns have committed to donate land to the IGFA upon which the facility will operate.
- Like the other certifications, both require that the unit of local government in which the facility will be located must certify that the facility serves a public purpose.

Similarities/Differences Continued

- The Golf Hall of Fame projects a paid annual attendance of 300,000 (like the new and retained professional sports facilities).
- IGFA projects that the facility and co-located facilities of private sector concerns will attract an attendance of more than 1.8 million annually; projects that the project (the IGFA facility and new colocated improvements by private sector concerns who have made cash or in-kind contributions to the facility of \$1 M or more) will attract 300,000 non-state residents annually.
- Independent analysis showing tax revenues will equal or exceed \$2 million annually for Golf Hall of Fame.
- Independent analysis showing tax revenues will equal or exceed \$1 million annually for IGFA Facility.
- Both must demonstrate the ability to provide more than 50% of costs of facilities.
- Golf of Hall of Fame provides \$2M annually in national and international media promotion of the hall of fame, Florida, and Florida tourism during the time it receives funds from the state. IGFA provides \$500,000 annually in advertising support of the facility.
- Like the other facilities, senior officers of the organizations must sign applications.

Similarities/Differences Continued

- Allowable uses of funds by both facilities are identical to those of other facilities.
- These facilities could not receive funds until certified as open to the public. Had up to five years to receive funds. If not open, certification would have been lost.
- Once certified, funds are distributed within 30 days. Golf Hall of Fame receives \$166,667 per month for 25 years (\$50 M). IGFA receives \$83,333 per month for 14 years. (\$14 M) IGFA was given a lump sum payment of \$999,996 after certification but before July 1, 2000.
- OTTED recertifies every 10 years.
- If fails to meet all requirements for recertification, the Golf Hall of Fame is required to provide \$500,000 more in advertising to be determined by OTTED or \$2.5 million in its entirety under certain circumstances.
- If fails to meet minimum projection requirements for recertification, IGFA funding shall be abated until criteria are met. If the tax revenue projection is below the \$1 M required, then the distribution of revenues shall be reduced according to a formula until revenues in a 12 month period equal or exceed the \$1 M annually.

Accountability

- DOR may audit as provide in s. 213.34, F.S., to verify that the distributions have been expended as required. The information is subject to confidentiality requirements of chapter 213, F.S.
- If DOR determines that the distributions have not been expended as required, it may pursue recovery of the funds pursuant to laws and rules governing assessment of taxes.
- Requirements for local governments to do annual audits that would include information on facilities.

Certification Again?

- No applicant previously certified under any provision of this section who has received funding under the certification shall be eligible for an additional certification. s. 288.1162(4)(h), F.S.
- OTTED may make no more than one certification for any facility. s. 288.1162(7), F.S.
- An applicant is not qualified for certification under this section if the franchise formed the basis for a previous certification, unless the previous certification was withdrawn by the facility or invalidated by OTTED or Department of Commerce before any funds were expended. *THIS SUBSECTION* does not disqualify an applicant if the previous certification occurred between May 23, 1993 and May 25, 1993; however, any funds to be distributed pursuant to s. 212.20, F.S., for the second certification shall be offset by the amount distributed to the previous certified facility. Distribution of funds for the second certification shall not be made until all amounts payable for the first certification have been distributed. s. 288.1162(9), F.S.

Professional Sports Facilities Currently Receiving Funds

Information provided by the
Department of Revenue

Distribution Information

NAME OF TEAM/FACILITY	TYPE OF FACILITY	Certification Date	2003-2004	Total Recv'd to date
FLORIDA MARLINS(BASEBALL)/MIAMI DOLPHINS(FOOTBALL)	PRO SPORTS FACILITY	07/93*	\$2,000,004	\$23,166,713
JACKSONVILLE JAGUARS(FOOTBALL)	PRO SPORTS FACILITY	04/94	\$2,000,004	\$21,333,376
TAMPA BAY DEVIL RAYS(BASEBALL)	PRO SPORTS FACILITY	05/95	\$2,000,004	\$19,166,705
TAMPA BAY LIGHTNING(HOCKEY)	PRO SPORTS FACILITY	07/95	\$2,000,004	\$18,833,371
FLORDIA PANTHERS(HOCKEY)	PRO SPORTS FACILITY	06/96	\$2,000,004	\$17,000,034
TAMPA BAY BUCCANEERS(FOOTBALL)	PRO SPORTS FACILITY	11/96	\$2,000,004	\$16,166,699
MIAMI HEAT(BASKETBALL PROPERTIES, LTD)	PRO SPORTS FACILITY	02/98	\$2,000,004	\$13,666,694
WORLD GOLF VILLAGE	GOLF FACILITY	06/98	\$2,000,004	\$13,166,693
INTL GAME FISH ASSOC WORLD CTR	GAME & FISH FACILITY	02/00	\$999,996	\$5,916,643
PHILLIES(BASEBALL)	SPRING TRAINING FACILITY	02/01	\$500,004	\$1,958,349
**Actual distribution 06/94				

Distribution Information

NAME OF TEAM/FACILITY	TYPE OF FACILITY	Certification Date	2003-2004	Total Recv'd to date
TORONTO BLUEJAYS(BASEBALL)	SPRING TRAINING FACILITY	02/01	\$500,004	\$1,958,349.00
DODGERS(BASEBALL)	SPRING TRAINING FACILITY	02/01	\$500,004	\$1,958,349.00
HOUSTON ASTROS(BASEBALL)	SPRING TRAINING FACILITY	02/01	\$500,004	\$1,958,349.00
DETROIT TIGERS(BASEBALL)	SPRING TRAINING FACILITY	02/01	\$466,668	\$1,827,783.00
TOTAL AMOUNT DISTRIBUTED TO DATE				\$158,078,107.00

Tax Collection per Sports Facility

Information provided by the
Department of Revenue

	<u>Average Attendance</u>	<u>Average Ticket</u>	<u>Food and Beverage</u>	<u>Souvenirs</u>	<u>Parking</u>	<u>Total Taxable</u>	<u>Tax Collected</u>
Broward County							
NHL Hockey	615,000	\$18,450,000	\$9,225,000	\$6,150,000	\$1,537,500	\$35,362,500	\$2,121,750
Other Events	400,000	\$16,000,000	\$4,000,000	\$6,000,000	\$1,000,000	\$27,000,000	\$1,620,000
Robbie Stadium Corp							
ML Baseball	1,458,000	\$65,610,000	\$21,870,000	\$14,580,000	\$3,645,000	\$105,705,000	\$6,342,300
NFL Football	600,000	\$57,000,000	\$9,000,000	\$6,000,000	\$3,750,000	\$75,750,000	\$4,545,000
Other Events	600,000	\$18,000,000	\$ 6,000,000	\$9,000,000	\$1,875,000	\$34,875,000	\$2,092,500
Citibank, NA							
NBA Basketball	738,000	\$44,280,000	\$11,070,000	\$7,380,000	\$1,845,000	\$64,575,000	\$3,874,500
Other Events	400,000	\$16,000,000	\$4,000,000	\$6,000,000	\$1,000,000	\$27,000,000	\$1,620,000
Duval County							
NFL Football	600,000	\$57,000,000	\$9,000,000	\$6,000,000	\$3,750,000	\$75,750,000	\$4,545,000
Other Events	600,000	\$18,000,000	\$6,000,000	\$9,000,000	\$1,875,000	\$34,875,000	\$2,092,500
Hillsborough County							
NFL Football	600,000	\$57,000,000	\$9,000,000	\$6,000,000	\$3,750,000	\$75,750,000	\$4,545,000
Other events	600,000	\$18,000,000	\$6,000,000	\$9,000,000	\$1,875,000	\$34,875,000	\$2,092,500

	<u>Average Attendance</u>	<u>Average Ticket</u>	<u>Food and Beverage</u>	<u>Souvenirs</u>	<u>Parking</u>	<u>Total Taxable</u>	<u>Total Collected</u>
Tampa Sports Authority							
NHL Hockey	615,000	\$18,450,000	\$9,225,000	\$6,150,000	\$1,537,500	\$35,362,500	\$2,121,750
Arena Football	96000	\$2,880,000	\$1,440,000	\$960,000	\$240,000	\$5,520,000	\$331,200
Other Events	400,000	\$16,000,000	\$4,000,000	\$6,000,000	\$1,000,000	\$27,000,000	\$1,620,000
City of St Pete							
ML Baseball	1,458,000	\$65,610,000	\$21,870,000	\$14,580,000	\$3,645,000	\$105,705,000	\$6,342,300
Other Events	400,000	\$16,000,000	\$4,000,000	\$6,000,000	\$1,000,000	\$27,000,000	\$1,620,000
City of Orlando							
NBA Basketball	738,000	\$44,280,000	\$11,070,000	\$7,380,000	\$1,845,000	\$64,575,000	\$3,874,500
Arena Football	96000	\$2,880,000	\$1,440,000	\$960,000	\$240,000	\$5,520,000	\$331,200
Other Events	400,000	\$16,000,000	\$4,000,000	\$6,000,000	\$1,000,000	\$27,000,000	\$1,620,000

Assumptions for Information

NHL

- Average 15,000/game, \$30/ticket, \$15/person on food & beverage, \$10/person on souvenirs, & \$10 parking per four fans

ML Baseball

- Average 18,000/game, \$45/ticket, \$15/person on food & beverage, \$10/person on souvenirs, & \$10 parking per four fans

NFL

- Averages 75,000/game, \$95/ticket, \$15/person on food & beverage, \$10/person on souvenirs, & \$10 parking per four fans

NBA

- Averages 18,000/game, \$60/ticket, \$15/person on food & beverage, \$10/person on souvenirs, & \$10 parking per four fans

Arena Football

- Averages 12,000/game, \$30/ticket, \$15/person on food & beverage, \$10/person on souvenirs, & \$10 parking per four fans

Other Events

- *At Football Stadiums: 20,000/event, \$30/ticket, \$15/person on food & beverage, \$10/person on souvenirs, & \$12.50 parking for four persons*
- *At Other Facilities: 10,000/event, \$40/ticket, \$10/person on food & beverage, \$15/person on souvenirs, & \$10 parking for four persons*



History Of The Law

Major Changes in the Law -1989

- Created funding mechanism for professional sports franchise facilities (money to come from Working Capital)
- Team could not have been in Florida prior to May 15, 1988
- Set funding limits of \$2 M in any state fiscal year for governmental entity. Money would be provided in equal monthly amounts for not more than 30 years.
- Department of Commerce reviewed applications and sent to Legislature for approval and funding. Department was to establish rules. DOC & DOR to annually estimate sports sales tax revenues. Estimates and applications sent to Legislature.
- Provided uses of funds (like current law.)
- Established Trust Fund. Limited amounts to go to any one facility to \$15 M, local option tourist sports tax raised.
- Provided specific language to fund a franchise by a certain date under certain conditions (Had to agree to play regular season games in state by 1991 season.)
- Required contracts with minority businesses.
- Required use of facilities as homeless shelters.

Major Changes in the Law Continued - 1991

- Changes brought law closer to today's law.
- Funding to come from sales tax revenue distribution to certified applicants.
- Number of applicants set at 6.
- Legislature no longer involved in reviewing applications prior to funding. All handled by Department of Commerce.
- Applicant requirements for certification same as today except:
 - facility only had to be agree to stay in facility for 5 years; franchise had to be in the state after 7/1/90.
 - Provided certification for a facility for "new spring training franchise facility"—franchise cannot have been based in state prior to 7/1/90. Required to be based in county levying tourist tax at 4% with 87.5% dedicated to construction of complex.
 - Provided for DOR audit.
 - Repealed Trust Fund and related language for plan.

Major Changes in the Law Continued

1994

- Created Tourism, Sports, & Entertainment Special District (repealed following year)
- S. 288.1162, F.S., amended to provide applicant cannot be qualified for certification if team formed basis of a previous certification except under certain circumstances: certification never funded. Provided that applicant not disqualified if certification took place between certain dates. Fund distribution for second certification are offset by funds distributed to previous certification and payment to second certification cannot happen until all payments to first certification have been distributed.
- Tourist tax law amended to add additional sports penny.

- s. 212.20, F.S., amended to state that certified applicant cannot receive more in public funds than actually expended for the public purpose.
- Also provided that a certified applicant shall receive distributions up the maximum allowable and undistributed.

1995

- Added certification for a facility for a “retained professional sports franchise”. (Buccaneers)
- Requirements set out for certification (must agree to stay at facility for 20 yrs.)
- Language added to state that no applicant that had ever been certified and received money could be eligible for additional certification.
- DOR given ability to recover funds.

Major Changes in the Law Continued

1996

- Definition of “new professional sports franchise” was rolled back two years (7/1/90 to 4/1/87)
- Slots increased from 6 to 8

2000

- Replaced reference to “new spring training franchise facility” with “retained spring training franchise facility”.
- Set up certification and funding process for at least 5 facilities
- Limited funding to \$208,335 per month in the aggregate

History of the Law

Creation of Professional Sports Franchise Funding Program

Chapter 88-226, LOF, (HB 1717 by Appropriations)

Whereas Clauses Providing Rationale for Law:

- Legislature recognizes that the location of professional sports franchises in the state represents nonpolluting economic development for the state and promotes tourism and recreation, improves the prosperity and welfare of the state and its citizens, and such public purposes implement the governmental purposes under the State Constitution of providing for the health, safety, and welfare of the people, and
- Several cities and counties are currently actively involved in attracting professional sports franchises to Florida, and
- Other states have recognized that attracting and keeping professional sports franchises produces both immediate benefits to the state and local area through the construction of an appropriate sports facility and long-term benefits in terms of economic growth and development in and around the facility, and the Legislature recognizes such benefits to the state, and
- Significant levels of resources are necessary to attract professional sports franchises to the state and to be competitive with other states, and
- Legislature recognizes, that although the funding necessary to attract professional sports franchises to the state is primarily the responsibility of local areas interested in development, such development produces a significant benefit to the state as a whole and is an appropriate public purpose for the expenditure of state funds.

Creation of Professional Sports Franchise Funding Program

Chapter 88-226, LOF, (HB 1717 by Appropriations)

- The law established a funding mechanism for state support of the construction of professional sports facilities within Florida. The Department of Commerce was assigned the duties of screening applicants, developing rules for processing applications, and presenting the applications to the Legislature for approval for funding.
- Created a Sports Advisory Council in Department of Commerce to advise Secretary.
- Prior to the adoption of rules, applicant had to have an economic impact study that included: 1) indication of overall economic impact to the state in terms of increased tax revenues; 2) direct impact on local area of funds generated by facility location; 3) indication of indirect benefits such as long-term economic growth in the area due to location of facility; and estimate of annual amount of sales tax revenues to be generated. If the facility is one that is already in existence, then the estimate must indicate only those revenues directly related to new and additional use and operation of the facility resulting from the construction, reconstruction, or renovation for which funding is sought.
- Prior to adoption of rules, the applicant had to show capability of providing or has financial commitment for providing **75% or more of funds required**. Interstate of highway within 3 miles of location.
- Prior to adoption of rules, unit of local government included “any existing sports facility which was financed, in part of in whole by industrial bonds, was completed prior to January 1, 1988 and which was constructed upon land which leased from a county.”
- Applicant had to have signed agreement with franchise for a **term of at least 15 years**; verified approval of governing authority of league. Applicant must show projections showing that the franchise will attract a **paid attendance of more than 400,000 annually**.

Elements of Ch. 88-226, LOF Continued

- Money could be used for debt service on, or to fund debt service reserve funds, arbitrage rebate obligations, or other amounts payable with respect to bonds issued by the unit of local government or by another unit of local government as provided in an interlocal agreement for the purpose of distribution of funds.
- If a facility that receives funding under the act generates a net after-tax profit during any fiscal year after payment on any bonds and other obligations for which revenues of facility are pledged or contractually obligated for operation, maintenance, and financing of the facility, such net after-tax profit in an amount up to the amount transferred to the unit of local government pursuant to the act, must be returned by the local government to the state for deposit into the GR Fund.
- Amount equal to approved Professional Sports Facility Sales Tax Revenues is annually appropriated from GR to the unit of local government responsible for construction, management, or operation of the facility or to unit of government which holds title to the property on which the facility is located. No governmental entity can receive more than \$2 million in any state fiscal year. Provided in equally monthly amounts and may be pledged for not more than 30 years.
- Team cannot have been in Florida prior to May 15, 1988.
- Commerce and Revenue were to annually estimate the sports sales tax revenues. Applications for funding, together with recommendations were to be submitted to the Legislature for determination for funding.
- Instituted first sports penny under the Local Option Tourist Tax (s. 125.0104(3), F.S.)

Elements of Ch. 88-226, LOF Continued

- Established professional sports/economic trust fund. Limited amount of funds to come from the trust fund to any one facility to be \$15 million, if a local option tourist tax for sports was raised. Provided funding for a “certain franchise” to receive appropriation of \$1.76 M annually from GR.
- Provided for appropriation of \$5 million per year to Trust Fund over a three year period. Appropriation was contingent upon a franchise on or before January 1, 1989 agreeing to play their regular season games in a facility in Florida commencing no later than the 1991 season.
- Required contracts with minority businesses.
- Required use of facilities as homeless shelters.

Elements of Ch. 88-226, LOF Continued

- No facility was able to meet the signing requirements prior to January 1, 1989; so, the special funding of \$5 M per year for three years and the beginning funding of \$1.76 M for the facility did not occur.

1989 – CH 89-217

- If county imposes tax under the local option tourist tax for professional sports franchises, the requirements under s. 288.1162, etc., do not apply.
- Changes sports penny requirements to provide 'up to' 1 penny levy and to require majority vote.

Ch. 91-274, LOF (CS/CS/SB 2040)

The changes made in 1991 brought the law closer to what it is today.

- The Department of Commerce was required to develop rules governing the receipt and processing of applications for assistance and was required to certify that applicants met specified criteria. **The Legislature no longer reviewed each application for funding and determined funding.**
- Funding was to come from **distribution of tax revenues under s. 212.20, F.S.**
- The department notified the Department of Revenue of the certification for receipt of funding of \$166,667 as a “facility for a new franchise facility” or of \$41,667 as a “new spring training franchise facility”. **The distributions could not begin until July 1, 1992. Distributions were to begin 60 days following distribution and continue for 30 years.**
- Number of applicants to be funded was **limited to 6** and there could be no more than 1 certification per facility.
- Definition of “new professional sports franchise” meant a franchise not based in Florida ***prior to July 1, 1990***. A “new spring training franchise” meant a spring training franchise not based in this state ***prior to July 1, 1990***.

Ch. 91-274, LOF, Continued

Certification Determinations were delineated for both the types of facilities.

- Unit of local government, as defined in s. 218.369, F.S. (any body politic granted the power to issue general obligation or revenue bonds) is responsible for construction, management, or operation of the professional sports franchise facility or hold title to the property on which the facility is located. (same as today)
- The requirement for the signed agreement for the new professional sports franchise to remain at the facility was changed to **5 years**.
- Verified copy of approval of governing league that franchise authorized location in the state was **after July 1, 1990**.
- Projection of paid attendance, verified by Department of Commerce, of more than **300,000 annually**.
- Independent analysis or study, verified by the department, demonstrating that the taxes with respect to use and operation of the facility will equal or exceed \$2 million annually.
- Municipality or county in which facility is located had to certify by resolution after a public hearing that the facility serves a public purpose.
- Applicant must show that it is capable of providing or has commitments to provide more than half of costs related to the facility.

Ch. 91-274, LOF, Continued

“New spring training franchise facility” requirements stated that:

- Applicant agreement with franchise must be for 15 years.
- Applicant has financial commitments to provide 50% or more of funds for the use of the facility by the franchise.
- The facility must be located within 20 miles of an interstate or limited-access highway system.
- Applicant must have projections, verified by the department, demonstrating that the facility will attract a paid attendance of at least 50,000 annually.
- The facility must be located in a county levying a the local option tourist development tax at 4% by March 1, 1992, and, 87.5% of the proceeds from the tax are dedicated for the construction of a spring training complex.

Use of Funds under Ch 91-274, LOF

- Funds required to be used for “public purpose” of paying for construction, reconstruction, or renovation of a facility authorized under s. 288.1162, F.S., or to pay or pledge for the payment of debt service on, or to fund debt service reserve funds, arbitrage rebate obligations, or other amounts payable with respect to, bonds issued for the construction, reconstruction, or renovation of such facility or for the reimbursement of such costs or the refinancing of bonds issued for such purposes.
- Funds distributed under s. 212.20, F.S., to these facilities can only be used for the purposes stated above.
- Department of Revenue may audit as provided in s. 213.34, F.S., to verify that the distributions pursuant to s. 288.1162, F.S., have been expended as required. The information is subject to confidentiality requirement of chapter 213, F.S.

Other Changes

- Repealed the plan for funding facilities and the Professional Sports/Economic Development Trust Fund

Teams & Locations Being Considered at the Time

According to a 1991 House Bill Analysis:

- On December 6, 1990, the City of Tampa and the Tampa Bay Hockey Group were awarded a franchise by the NHL. The franchise was contingent upon several things happening by December 15, 1991. The facility to be constructed for the Tampa Bay Lightning Hockey Team was expected to require \$90 M in bond sales and the team were expected to begin play for the 1992-93 season. *(Actually certified in July 1995 and received funding on September 1995).*
- Prior to September 1991, the National League Expansion Committee was expected to announce its decisions for 2 additional professional baseball franchises. Among the six finalists were Miami, Orlando, and St. Petersburg. St. Petersburg needed \$30 million to modify a facility for baseball; Miami, for Joe Robbie Stadium, needed \$8 to \$10 million; Orlando needed an estimated \$109 million for a new stadium. The possibility of landing two teams had not been ruled out. *(Joe Robbie was certified in July 1993 but did not receive funding until June 1994.)*
- The NFL was expected to name two new franchises to begin play in 1993. Touchdown, Inc., in Jacksonville had estimated that \$60 million would be necessary to update the Gator Bowl for an NFL team. *(The City of Jacksonville was certified for the Jacksonville Jaguars on April 1994 and began receiving funding in June 1994.)*
- Citrus County was cited as appearing to be the most likely candidate to meet the criteria for spring training.

Ch. 94-338, LOF (CS/CS/HB 1875)

Chapter 94-338, LOF, did the following:

- Created a new type of multi-jurisdictional independent special district identified as a “Tourism, Sports, and Entertainment Special District.” The stated purpose of the district was to finance, design, develop, acquire, construct, operate, maintain, manage, and promote a tourism, sports and entertainment complex, in addition to providing for the basic infrastructure facilities and services needed to develop and operate the complex. The first district, the South Florida Sports and Entertainment Special District was to be created in legally described sections of the city of Miramar, and Broward and Dade Counties. The effective date of the act and the creation of the South Florida special district was contingent upon passage of an approving resolution by the local general-purpose governments in which the complex was to be located. *(The next year this language was repealed.)*
- Section 288.1162, F.S., was amended to state that an applicant cannot be qualified for certification if the franchise formed the basis for a previous certification, UNLESS the previous certification was withdrawn by the facility or invalidated by the department prior to the distribution of funds. The subsection does not disqualify an applicant if certification occurred between May 23, 1993 and May 25, 1993. Funds to be distributed for the second certification shall be offset by the funds distributed pursuant to s. 212.20, F.S. Distribution of funds for the second certification shall not be made until all amounts payable for the first certification have been distributed.
- Likewise, s. 212.20, F.S., was amended to state that an applicant certified under s. 288.1162, F.S., can receive more in distributions than actually expended by the applicant for the public purposes in s. 288.1162(7), F.S. [now (6)] However, a certified applicant shall receive distributions up to the maximum allowable and undistributed under the section for additional renovations and improvements to the facility for the franchise without additional certification by the Department of Commerce.
- Section 125.0104, F.S., was amended to permit the raising of an additional “sports penny”.

Ch. 95-304, LOF (CS/HB 1757)

- Added certification for a new category of applicant to receive sales tax revenues under s. 212.20, F.S.: Facility for a retained professional sports franchise.
- A “retained professional sports franchise” is defined as one which has had a league authorized location in Florida on or before December 31, 1976 and has continuously remained at that location and has never been located at a previously certified facility. Only one team qualified: the Tampa Bay Buccaneers. (Dolphins play in a stadium which has already been certified for another team, the Marlins)
- Prior to certifying an applicant, which has to meet all of the requirements for a “facility for a new professional sports franchise”, there is a requirement that the retained franchise must agree to use the facility for 20 years.
- Language was added to s. 288.1162(3), F.S., to state that no applicant previously certified under any provision of this section who has received funding under such certification shall be eligible for an additional certification. Note: This provision would prohibit Joe Robbie Stadium from applying on behalf of the Dolphins.
- The Department of Revenue was given authority for recovery of funds if the department determined that the funds distributed under s. 288.1162, F.S., are not expended as required by law.
- Expanded use of sports penny to convention centers, under certain circumstances.

Ch. 96-320, LOF (CS/CS/SB 958)

This act created the Office of Tourism, Trade, and Economic Development with many of the functions of the Department of Commerce being transferred to OTTED and various public-private partnerships.

- References to the Department of Commerce were changed to OTTED
- The dates for determining what team would qualify for a “new professional sports franchise” was changed by rolling the date back from July 1, 1990 to April 1, 1987.
- The number of applicants for facilities was increased from 6 to 8.
- The change in the date and the increase in the number to effectively include two additional franchises currently existing in Florida at the time of the passage of the bill.

Ch. 2000-186, LOF (CS/HB 1439, 2nd Eng)

- Deleted reference to a “new spring training franchise facility”
- Replaced reference with “retained spring training franchise facility”
- Defines “retained spring training franchise” as a spring training franchise that was based in the state prior to January 1, 2000.
- Provides criteria for OTTED to use prior to determining certification.
- Requires OTTED competitively evaluate application for funding a facility for a retained spring training franchise. Criteria are provided for such evaluation.
- Applications had to be submitted by October 1, 2000 with certifications made by January 1, 2001.
- If the number of applicants exceeded five and the aggregate funding request of all applications exceeded \$208,335 per month, OTTED is required to rank applications according to criteria in law. OTTED must certify what is requested, cannot certify partial funding.
- Total impact is a maximum of \$2.5 million annually for up to 30 years or a total maximum of \$75 M.

Funding of Facilities for Retained Spring Training Franchises

Prepared by:
Tourism Committee
Florida House of Representatives

March 21, 2005

Retained Spring Training Franchises

s. 288.1162, (5),(6),(7),(8),(9), F.S.

- A “retained spring training franchise” means a spring training franchise that has been based in this state prior to January 1, 2000.
- OTTED screens applicants for state funding under s. 212.20(6)(d)7. b.-d., F.S., and certifies applicants as facilities for retained spring training franchises. At least 5 facilities are to be certified as facilities for retained spring training franchises. Applications had to be submitted by 10/01/00 with certifications to be made by 1/01/01.
- If applicants exceeded 5, and the aggregate funding request of all applications exceeded \$208,335 per month, OTTED must rank applicants according to evaluation criteria.

Determinations made by OTTED

- Unit of local government is responsible for the acquisition, construction, management, or operation of the facility, or holds the title to the property on which the facility is located.
- Applicant has a verified copy of a signed agreement with a retained spring training franchise for the use of the facility for at least 15 years.

Determinations made by OTTED

- Applicant has financial commitment to provide 50% or more of the funds required by an agreement for the acquisition, construction or renovation of the facility.
- The agreement can be contingent upon awarding funds and other conditions precedent to use by the spring training franchise.

Determinations made by OTTED

- Projections, verified by OTTED, demonstrating that the facility will attract a paid attendance of at least 50,000 annually.
- The facility is located in a county that is levying a tourist development tax pursuant to s. 125.0104, F.S.

COMPETITIVE EVALUATION CRITERIA

OTTED shall competitively evaluate applications for funding if more than 5 submit applications for more money than is available on a monthly basis.

Evaluation Criteria

(priority in descending order)

1. Intended use of the funds by the applicant with priority given to the construction of a new facility.
2. Length of time that a facility is used by one or more franchises, priority given to facility that has been in continuous use as a facility for a retained spring training franchise the longest.
3. For teams leasing a spring training facility from a local government, the remaining time on the lease for facilities used by the spring training franchise, priority given to the shortest time period remaining on the lease.

Evaluation Criteria

(priority in descending order)

4. The duration of the future-use agreement with the retained spring training franchise, with priority given to the future-use agreement having the longest duration.
5. The amount of local match, priority given to the largest % of local match proposed.
6. The net increase in total active recreation space owned by the applying unit of local government following the acquisition of land for the spring training facility.

Evaluation Criteria

(priority in descending order)

7. The location of a facility in a Brownfield, an enterprise zone, a community redevelopment area, or other area of targeted development or revitalization included in an Urban Infill Redevelopment Plan, with priority given to facilities located in these areas.
8. The projections on paid attendance attracted by the facility and the proposed effect on the economy of the local community, priority given to the highest projected paid attendance.

Purposes for the Use of Funds

provided in s. 212.20, F.S.

- ONLY for the “public purpose” of paying for the acquisition, construction, reconstruction, or renovation of a facility or to pay or pledge for the payment of debt service on, or to fund debt service reserve funds, arbitrage rebate obligations, or other amounts payable with respect to, bonds issued for the acquisition, construction, reconstruction, or renovation of such facility or for the reimbursement of such costs or the refinancing of bonds issued for such purposes.

Certification

- OTTED shall notify DOR of any facility certified as a facility for a retained spring training franchise.
- OTTED shall certify at least 5 applicants as facilities for retained spring training franchises.
- OTTED may make no more than 1 certification for any facility.

Funding of a Facility

- OTTED may not certify funding for less than the requested amount to any applicant certified as a facility for a retained spring training franchise.
- Funds cannot be expended to subsidize privately-owned & maintained facilities for use by the spring training franchise.
- Funds may be used to relocate a retained spring training franchise to another unit of local government if the existing unit of local government with the franchise agrees to the relocation.

Department of Revenue

- Distributions take place 60 days following OTTED's notification of certification to DOR for no more than 30 years.
- Up to \$41,667 monthly to each applicant, not more than \$208,335 may be distributed in the aggregate to all certified facilities for a retained spring training franchise for up to 30 years.

(\$500,004 annually/per applicant)
capped at \$2.5 million
- DOR may audit as provided in s. 212.34, F.S., to verify that distributions have been expended as required.
- If DOR determines that distributions have not been expended as required, it may pursue recovery of such funds pursuant to the laws and rules governing the assessment of taxes.

Current Facilities Receiving Funding

Team	Stadium, Location	Park Open Or (Renovations)	Yrs in Site	Lease Began	Expires	Stadium Owner
Atlanta Braves	Cracker Jack Stadium,	1998	7	1998	2017	Walt Disney Co.
	Disney's Wide World of Sports, Orlando					
Baltimore Orioles	Fort Lauderdale Stadium	1961	9	2003	2004	City of Ft. Lauderdale
Boston Red Sox	City of Palms Park, Fort Myers	1992	12	1993	2007	City of Ft. Myers
Cincinnati Reds	Ed Smith Stadium, Sarasota	1989	7	1989**	2008	City of Sarasota
Cleveland Indians	Chain O' Lakes Park, Winter Haven	1966 (1993)	12	2003	2008	City of Winter Haven

***Reds assumed lese of White Sox when they left Florida*

Current Facilities Receiving Funding

Team	Stadium, Location	Park Open Or (Renovation)	Years in Site	Lease Began	Expires	Stadium Owner
Detroit Tigers	Joker Merchant Stadium, Lakeland	1966 (2003)	68	2002	2016	City of Lakeland
Florida Marlins	Roger Dean Stadium, Jupiter	1998	2	1998*	2017	Palm Beach County
Houston Astros	Osceola County Stadium, Kissimmee	1984 (2003)	20	2001	2016	Osceola County
Los Angeles Dodgers	Holman Stadium, Dodgertown, Vero Beach	1953 (2003)	57	2001	2020	Indian River County
Minnesota Twins	Hammond Stadium, Fort Myers	1991	10	1991	2010	Lee County
Montreal Expos	Space Coast Stadium, Viera	1994	2	1994*	2017	Brevard County

***Marlins and Expos assumed each others lease when they switched locations in 2003*

New York Mets	Thomas J. White Stadium, Port St. Lucie	1988 (2004)	17	2003	2017	St. Lucie County
New York Yankees	Legends Field, Tampa	1996	9	1997	2027	Hillsborough County
Philadelphia Phillies	Bright House Networks Stadium, Clearwater	2004	49	2004	2024	City of Clearwater
Pittsburgh Pirates	McKechnie Field, Bradenton	1923 (1993)	34	1991	2011	City of Bradenton
St. Louis Cardinals	Roger Dean Stadium, Jupiter	1998	7	1998	2017	Palm Beach County
Tampa Bay Devil Rays	Florida Power Park/Al Lang Field, St. Petersburg	1977 (1998)	7	1998	2005	City of St. Petersburg
Toronto Blue Jays	Grant Field, Dunedin	1990 (2002)	25	2002	2016	City of Dunedin

Professional Golf Hall of Fame facility

Prepared by:
Tourism Committee
Florida House of Representatives

March 21, 2005

Professional Golf Hall of Fame Facility

s. 288.1168, F.S.

- OTTED screens applicants for state funding pursuant to s. 212.20, F.S., & certifies one applicant as the professional golf hall of fame facility in this state.
- Prior to certification OTTED must make certain determinations.

Determinations made by OTTED

- Professional golf hall of fame facility is the only professional golf hall of fame facility in the US recognized by the PGA Tour, Inc.
- Applicant is a unit of local government or a private sector group that has contracted to construct or operate the professional golf hall of fame facility on land owned by a unit of local government.

Determinations by OTTED continued

- Municipality in which the professional golf hall of fame facility is located, or the county if the facility is located in an unincorporated area, _____ has certified by resolution after a public hearing that the applicant serves a public purpose.
- Existing projections that the professional golf hall of fame facility will attract a paid attendance of more than 300,000 annually.

Determinations by OTTED continued

Independent analysis or study, using methodology approved by OTTED which demonstrates that the amount of the revenues generated by the taxes imposed under chapter 212, F.S., with respect to use and operation of the professional golf hall of fame facility will equal or exceed \$ 2 million annually.

Applicant has submitted an agreement to provide \$2 million annually in national and international media promotion of the professional golf hall of fame facility, Florida, and Florida tourism, through the PGA Tour, Inc., or its affiliates, at the then-current commercial rate. OTTED must agree annually on a percentage of advertising specifically allocated for generic Florida advertising. Failure on PGA Tour, Inc., or its affiliates to provide the advertising shall result in the termination of funding as provided in said paragraph or subsection (6) shall result in termination of funding as provided in s. 212.20, F.S.

Determinations by OTTED continued

- Documentation exists that demonstrates that the applicant has provided, is capable of providing, or has financial or other commitments to provide more than one-half of the costs incurred or related to the improvement and development of the facility.
- Application is signed by an official senior executive of the applicant and is notarized according to Florida law providing penalties for falsification.

Funds for public purpose

- **Construction, reconstruction, renovation, or operation of the professional golf hall of fame facility, or to pay or pledge for payment of debt service on, or to fund debt service reserve funds, arbitrage rebate obligations, or other amounts payable with respect to, bonds issued for the construction, reconstruction, or renovation of the facility or for the reimbursement of such costs or the refinancing of bonds issued for such purpose.**

Notification of Applicant Certification

- OTTED shall notify the applicant by means of an official letter if certifiable or not.
- If certifiable, from the date of certification the applicant shall have 5 years to open the professional golf hall of fame facility to the public and notify OTTED of such opening.

Distribution of Funds

- Department of Revenue shall not begin distributing funds until 30 days following notice by OTTED that the professional golf hall of fame facility is open to the public.
- 30 days after OTTED notifies DOR that an applicant has been certified as the professional golf hall of fame pursuant to s. 288.1168 & is open to the public, \$166,667 shall be distributed monthly for up to 300 months to the applicant.

\$2 million annually for up to 25 years

Audit Provision

- DOR may audit as provided in s. 213.34, F.S., to verify that the distributions have been expended as required.

Recertification

- OTTED must recertify every 10 years that the facility is open, continues to be the only professional golf hall of fame in the US recognized by the PGA Tour, Inc., & is meeting minimum projections for attendance or sales tax revenue as required at the time of original certification.
- If not meeting minimum projections, the PGA Tour, Inc., shall increase its required advertising contribution of \$2 million annually to \$2.5 million annually in lieu of reduction of any funds as provided by s. 212.20, F.S. The additional \$500,000 must be allocated in its entirety for the use and promotion of generic Florida advertising as determined by OTTED.

Recertification

Continued

- If the facility is not open to the public or is no longer in use as the only professional golf hall of fame in the US recognized by the PGA Tour, Inc., the entire \$2.5 million for advertising must be used for generic Florida advertising as determined by OTTED.



International Game Fish Association

Prepared by:
Tourism Committee
Florida House of Representatives

March 21, 2005

International Game Fish Association World Center facility

s. 288.1169, F.S.

- OTTED is the approving agency responsible for approving applicants for funding under s. 212. 20 (6)(d) 7. d., F.S., & certifying one applicant as the International Game Fish Association World Center facility.
- Prior to certification OTTED must make certain determinations.

Determinations made by OTTED

- International Game Fish Association World Center is the only fishing museum, Hall of Fame, and international and administrative headquarters in the US recognized by the International Game Fish Association, and that one or more private sector concerns have committed to donate to the International Game Fish Association land upon which the Center will operate.
- International Game Fish Association (IGFA) is a not-for-profit Florida Corporation that has contracted to construct and operate the facility.
- The municipality in which the facility is located, or the county if the facility is located in an unincorporated area, has certified by resolution after a public hearing that the facility serves a public purpose.

Determinations made by OTTED

- Existing projections that the IGFA World Center facility and co-located facilities of private sector concerns will attract an attendance of more than 1.8 million annually.
- Existing projections that the project will attract more than 300,000 persons annually who are not residents of the state.

The project consists of IGFA World Center & new co-located improvements by private sector concerns who have made cash or in-kind contributions to the facility of \$1 million or more.

- Independent analysis approved by OTTED which demonstrates that the amount of tax-generated revenues relating to the use & operation of the project will exceed \$1 million annually as provided under chapter 212.

Determinations made by OTTED

- Applicant agrees to provide \$500,000 annually in national and international media promotion of the facility, at the then current commercial rates, during the period of time that the facility receives funds pursuant to s. 212. 20, F.S. The applicant can discharge its obligation by contracting with other persons, including private sector concerns who participate in the project.
- Failure by the applicant to annually provide the advertising as provided shall result in the termination of funding as provided in s. 212.20, F.S.

Determinations made by OTTED

- Documentation exists that demonstrates the applicant has provided, and is capable of providing, or has financial or other commitments to provide, more than one-half of the cost incurred or related to the improvements and the development of the facility.
- Application signed by senior officials of the IGFA and is notarized according to Florida law providing for penalties for falsification.

Funds for Public Purpose

- Construction, reconstruction, renovation, promotion, or operation of the facility, or to pay or pledge for payment of debt service on, or to fund debt service reserve funds, arbitrage rebate obligations, or other amounts payable with respect to, bonds issued for the construction, reconstruction, or renovation of the facility or for the reimbursement of such costs or the refinancing of bonds issued for such purpose.

Notification & Funding

- OTTED shall notify the applicant by means of an official letter if certifiable or not. If certifiable, DOR is notified of such certification.
- If certifiable, from the date of certification the applicant shall have 5 years to open the IGFA World Center facility to the public and notify OTTED of such opening.
- DOR shall not begin distributing funds until 30 days following notice by OTTED that the IGFA World Center facility is open to the public.

Department of Revenue

- DOR may audit as provided in s. 213.34, F.S., to verify that the distributions have been expended as required by s. 288.1169, F.S.
- 30 days after notification by OTTED to DOR that the applicant has been certified as the International Game Fish Association World Center Facility and is open to the public, \$83,333 shall be distributed monthly for up to 168 months, subject to reduction pursuant to s. 288.1169, F.S.**

\$999,996 annually for up to 14 years

**A lump sum payment of \$999,996 was made after initial certification in 2000.

Recertification

- OTTED must recertify every 10 years that the facility is open, the IGFA World Center continues to be the only international administrative headquarters, fishing museum, and Hall of Fame in the US recognized by the IGFA, & is meeting minimum projections for attendance or sales tax revenues as required at the time of original certification.
- If not meeting minimum projections, then funding shall be abated until certification criteria are met. If the project fails to generate \$1 million of annual tax revenues the distribution of revenues shall be reduced to an amount equal to \$83,333 multiplied by a fraction, numerator of which is the actual revenues generated and the denominator of which is \$1 million. Such reduction shall remain in effect until tax revenues generated by the project in a 12 month period equal or exceed \$ 1 million.

288.1162 Professional sports franchises; spring training franchises; duties.—

(1) The Office of Tourism, Trade, and Economic Development shall serve as the state agency for screening applicants for state funding pursuant to s. 212.20 and for certifying an applicant as a “facility for a new professional sports franchise,” a “facility for a retained professional sports franchise,” or a “facility for a retained spring training franchise.”

(2) The Office of Tourism, Trade, and Economic Development shall develop rules for the receipt and processing of applications for funding pursuant to s. 212.20.

(3) As used in this section, the term:

(a) “New professional sports franchise” means a professional sports franchise that is not based in this state prior to April 1, 1987.

(b) “Retained professional sports franchise” means a professional sports franchise that has had a league-authorized location in this state on or before December 31, 1976, and has continuously remained at that location, and has never been located at a facility that has been previously certified under any provision of this section.

(4) Prior to certifying an applicant as a “facility for a new professional sports franchise” or a “facility for a retained professional sports franchise,” the Office of Tourism, Trade, and Economic Development must determine that:

(a) A “unit of local government” as defined in s. 218.369 is responsible for the construction, management, or operation of the professional sports franchise facility or holds title to the property on which the professional sports franchise facility is located.

(b) The applicant has a verified copy of a signed agreement with a new professional sports franchise for the use of the facility for a term of at least 10 years, or in the case of a retained professional sports franchise, an agreement for use of the facility for a term of at least 20 years.

(c) The applicant has a verified copy of the approval from the governing authority of the league in which the new professional sports franchise exists authorizing the location of the professional sports franchise in this state after April 1, 1987, or in the case of a retained professional sports franchise, verified evidence that it has had a league-authorized location in this state on or before December 31, 1976. The term “league” means the National League or the American League of Major League Baseball, the National Basketball Association, the National Football League, or the National Hockey League.

(d) The applicant has projections, verified by the Office of Tourism, Trade, and Economic Development, which demonstrate that the new or retained professional sports franchise will attract a paid attendance of more than 300,000 annually.

(e) The applicant has an independent analysis or study, verified by the Office of Tourism, Trade, and Economic Development, which demonstrates that the amount of the revenues generated by the taxes imposed under chapter 212 with respect to the use and operation of the professional sports franchise facility will equal or exceed \$2 million annually.

(f) The municipality in which the facility for a new or retained professional sports franchise is located, or the county if the facility for a new or retained professional sports franchise is located in an unincorporated area, has certified by resolution after a public hearing that the application serves a public purpose.

(g) The applicant has demonstrated that it has provided, is capable of providing, or has financial or other commitments to provide more than one-half of the costs incurred or related to the improvement and development of the facility.

(h) No applicant previously certified under any provision of this section who has

received funding under such certification shall be eligible for an additional certification.

(5)(a) As used in this section, the term "retained spring training franchise" means a spring training franchise that has been based in this state prior to January 1, 2000.

(b) Prior to certifying an applicant as a "facility for a retained spring training franchise," the Office of Tourism, Trade, and Economic Development must determine that:

1. A "unit of local government" as defined in s. 218.369 is responsible for the acquisition, construction, management, or operation of the facility for a retained spring training franchise or holds title to the property on which the facility for a retained spring training franchise is located.
2. The applicant has a verified copy of a signed agreement with a retained spring training franchise for the use of the facility for a term of at least 15 years.
3. The applicant has a financial commitment to provide 50 percent or more of the funds required by an agreement for the acquisition, construction, or renovation of the facility for a retained spring training franchise. The agreement can be contingent upon the awarding of funds under this section and other conditions precedent to use by the spring training franchise.
4. The applicant has projections, verified by the Office of Tourism, Trade, and Economic Development, which demonstrate that the facility for a retained spring training franchise will attract a paid attendance of at least 50,000 annually.
5. The facility for a retained spring training franchise is located in a county that is levying a tourist development tax pursuant to s. 125.0104.

(c) The Office of Tourism, Trade, and Economic Development shall competitively evaluate applications for funding of a facility for a retained spring training franchise. Applications must be submitted by October 1, 2000, with certifications to be made by January 1, 2001. If the number of applicants exceeds five and the aggregate funding request of all applications exceeds \$208,335 per month, the office shall rank the applications according to a selection criteria, certifying the highest ranked proposals. The evaluation criteria shall include, with priority given in descending order to the following items:

1. The intended use of the funds by the applicant, with priority given to the construction of a new facility.
2. The length of time that the existing franchise has been located in the state, with priority given to retaining franchises that have been in the same location the longest.
3. The length of time that a facility to be used by a retained spring training franchise has been used by one or more spring training franchises, with priority given to a facility that has been in continuous use as a facility for spring training the longest.
4. For those teams leasing a spring training facility from a unit of local government, the remaining time on the lease for facilities used by the spring training franchise, with priority given to the shortest time period remaining on the lease.
5. The duration of the future-use agreement with the retained spring training franchise, with priority given to the future-use agreement having the longest duration.
6. The amount of the local match, with priority given to the largest percentage of local match proposed.
7. The net increase of total active recreation space owned by the applying unit of local government following the acquisition of land for the spring training facility, with priority given to the largest percentage increase of total active recreation space.
8. The location of the facility in a brownfield, an enterprise zone, a community redevelopment area, or other area of targeted development or revitalization included in an

Urban Infill Redevelopment Plan, with priority given to facilities located in these areas.

9. The projections on paid attendance attracted by the facility and the proposed effect on the economy of the local community, with priority given to the highest projected paid attendance.

(d) Funds may not be expended to subsidize privately owned and maintained facilities for use by the spring training franchise. Funds may be used to relocate a retained spring training franchise to another unit of local government only if the existing unit of local government with the retained spring training franchise agrees to the relocation.

(6) An applicant certified as a facility for a new professional sports franchise or a facility for a retained professional sports franchise or as a facility for a retained spring training franchise may use funds provided pursuant to s. 212.20 only for the public purpose of paying for the acquisition, construction, reconstruction, or renovation of a facility for a new professional sports franchise, a facility for a retained professional sports franchise, or a facility for a retained spring training franchise or to pay or pledge for the payment of debt service on, or to fund debt service reserve funds, arbitrage rebate obligations, or other amounts payable with respect to, bonds issued for the acquisition, construction, reconstruction, or renovation of such facility or for the reimbursement of such costs or the refinancing of bonds issued for such purposes.

(7) The Office of Tourism, Trade, and Economic Development shall notify the Department of Revenue of any facility certified as a facility for a new professional sports franchise or a facility for a retained professional sports franchise or as a facility for a retained spring training franchise. The Office of Tourism, Trade, and Economic Development shall certify no more than eight facilities as facilities for a new professional sports franchise or as facilities for a retained professional sports franchise and shall certify at least five as facilities for retained spring training franchises, including in such total any facilities certified by the ^[1]Department of Commerce before July 1, 1996. The office may make no more than one certification for any facility. The office may not certify funding for less than the requested amount to any applicant certified as a facility for a retained spring training franchise.

(8) The Department of Revenue may audit as provided in s. 213.34 to verify that the distributions pursuant to this section have been expended as required in this section. Such information is subject to the confidentiality requirements of chapter 213. If the Department of Revenue determines that the distributions pursuant to this section have not been expended as required by this section, it may pursue recovery of such funds pursuant to the laws and rules governing the assessment of taxes.

(9) An applicant is not qualified for certification under this section if the franchise formed the basis for a previous certification, unless the previous certification was withdrawn by the facility or invalidated by the Office of Tourism, Trade, and Economic Development or the ^[1]Department of Commerce before any funds were distributed pursuant to s. 212.20. This subsection does not disqualify an applicant if the previous certification occurred between May 23, 1993, and May 25, 1993; however, any funds to be distributed pursuant to s. 212.20 for the second certification shall be offset by the amount distributed to the previous certified facility. Distribution of funds for the second certification shall not be made until all amounts payable for the first certification have been distributed.



288.1168 Professional golf hall of fame facility.—

(1) The ^[1]Department of Commerce shall serve as the state agency for screening applicants for state funding pursuant to s. 212.20 and for certifying one applicant as the professional golf hall of fame facility in the state.

(2) Prior to certifying the professional golf hall of fame facility, the ^[1]Department of Commerce must determine that:

(a) The professional golf hall of fame facility is the only professional golf hall of fame in the United States recognized by the PGA Tour, Inc.

(b) The applicant is a unit of local government as defined in s. 218.369 or a private sector group that has contracted to construct or operate the professional golf hall of fame facility on land owned by a unit of local government.

(c) The municipality in which the professional golf hall of fame facility is located, or the county if the facility is located in an unincorporated area, has certified by resolution after a public hearing that the application serves a public purpose.

(d) There are existing projections that the professional golf hall of fame facility will attract a paid attendance of more than 300,000 annually.

(e) There is an independent analysis or study, using methodology approved by the ^[1]department, which demonstrates that the amount of the revenues generated by the taxes imposed under chapter 212 with respect to the use and operation of the professional golf hall of fame facility will equal or exceed \$2 million annually.

(f) The applicant has submitted an agreement to provide \$2 million annually in national and international media promotion of the professional golf hall of fame facility, Florida, and Florida tourism, through the PGA Tour, Inc., or its affiliates, at the then-current commercial rate, during the period of time that the facility receives funds pursuant to s. 212.20. The Office of Tourism, Trade, and Economic Development and the PGA Tour, Inc., or its affiliates, must agree annually on a reasonable percentage of advertising specifically allocated for generic Florida advertising. The Office of Tourism, Trade, and Economic Development shall have final approval of all generic advertising. Failure on the part of the PGA Tour, Inc., or its affiliates to annually provide the advertising as provided in this paragraph or subsection (6) shall result in the termination of funding as provided in s. 212.20.

(g) Documentation exists that demonstrates that the applicant has provided, is capable of providing, or has financial or other commitments to provide more than one-half of the costs incurred or related to the improvement and development of the facility.

(h) The application is signed by an official senior executive of the applicant and is notarized according to Florida law providing for penalties for falsification.

(3) The applicant may use funds provided pursuant to s. 212.20 for the public purpose of paying for the construction, reconstruction, renovation, or operation of the professional golf hall of fame facility, or to pay or pledge for payment of debt service on, or to fund debt service reserve funds, arbitrage rebate obligations, or other amounts payable with respect to, bonds issued for the construction, reconstruction, or renovation of the facility or for the reimbursement of such costs or the refinancing of bonds issued for such purpose.

(4) Upon determining that an applicant is or is not certifiable, the Secretary of ^[1]Commerce shall notify the applicant of his or her status by means of an official letter. If certifiable, the ^[2]secretary shall notify the executive director of the Department of Revenue and the applicant of such certification by means of an official letter granting certification. From the date of such certification, the applicant shall have 5 years to open the professional

golf hall of fame facility to the public and notify the Office of Tourism, Trade, and Economic Development of such opening. The Department of Revenue shall not begin distributing funds until 30 days following notice by the Office of Tourism, Trade, and Economic Development that the professional golf hall of fame facility is open to the public.

(5) The Department of Revenue may audit as provided in s. 213.34 to verify that the distributions under this section have been expended as required by this section.

(6) The Office of Tourism, Trade, and Economic Development must recertify every 10 years that the facility is open, continues to be the only professional golf hall of fame in the United States recognized by the PGA Tour, Inc., and is meeting the minimum projections for attendance or sales tax revenue as required at the time of original certification. If the facility is not certified as meeting the minimum projections, the PGA Tour, Inc., shall increase its required advertising contribution of \$2 million annually to \$2.5 million annually in lieu of reduction of any funds as provided by s. 212.20. The additional \$500,000 must be allocated in its entirety for the use and promotion of generic Florida advertising as determined by the Office of Tourism, Trade, and Economic Development. If the facility is not open to the public or is no longer in use as the only professional golf hall of fame in the United States recognized by the PGA Tour, Inc., the entire \$2.5 million for advertising must be used for generic Florida advertising as determined by the Office of Tourism, Trade, and Economic Development.



288.1169 International Game Fish Association World Center facility.—

(1) The ^[1]Department of Commerce shall serve as the state agency approving applicants for funding pursuant to s. 212.20 and for certifying the applicant as the International Game Fish Association World Center facility. For purposes of this section, “facility” means the International Game Fish Association World Center, and “project” means the International Game Fish Association World Center and new colocated improvements by private sector concerns who have made cash or in-kind contributions to the facility of \$1 million or more.

(2) Prior to certifying this facility, the ^[1]department must determine that:

(a) The International Game Fish Association World Center is the only fishing museum, Hall of Fame, and international administrative headquarters in the United States recognized by the International Game Fish Association, and that one or more private sector concerns have committed to donate to the International Game Fish Association land upon which the International Game Fish Association World Center will operate.

(b) International Game Fish Association is a not-for-profit Florida corporation that has contracted to construct and operate the facility.

(c) The municipality in which the facility is located, or the county if the facility is located in an unincorporated area, has certified by resolution after a public hearing that the facility serves a public purpose.

(d) There are existing projections that the International Game Fish Association World Center facility and the colocated facilities of private sector concerns will attract an attendance of more than 1.8 million annually.

(e) There is an independent analysis or study, using methodology approved by the ^[1]department, which demonstrates that the amount of the revenues generated by the taxes imposed under chapter 212 with respect to the use and operation of the project will exceed \$1 million annually.

(f) There are existing projections that the project will attract more than 300,000 persons annually who are not residents of the state.

(g) The applicant has submitted an agreement to provide \$500,000 annually in national and international media promotion of the facility, at the then-current commercial rates, during the period of time that the facility receives funds pursuant to s. 212.20. Failure on the part of the applicant to annually provide the advertising as provided in this paragraph shall result in the termination of the funding as provided in s. 212.20. The applicant can discharge its obligation under this paragraph by contracting with other persons, including private sector concerns who participate in the project.

(h) Documentation exists that demonstrates that the applicant has provided, and is capable of providing, or has financial or other commitments to provide, more than one-half of the cost incurred or related to the improvements and the development of the facility.

(i) The application is signed by senior officials of the International Game Fish Association and is notarized according to Florida law providing for penalties for falsification.

(3) The applicant may use funds provided pursuant to s. 212.20 for the purpose of paying for the construction, reconstruction, renovation, promotion, or operation of the facility, or to pay or pledge for payment of debt service on, or to fund debt service reserve funds, arbitrage rebate obligations, or other amounts payable with respect to, bonds issued for the construction, reconstruction, or renovation of the facility or for the reimbursement of such costs or by refinancing of bonds issued for such purposes.

(4) Upon determining that an applicant is or is not certifiable, the ^[1]Department of

Commerce shall notify the applicant of its status by means of an official letter. If certifiable, the ^[1]Department of Commerce shall notify the executive director of the Department of Revenue and the applicant of such certification by means of an official letter granting certification. From the date of such certification, the applicant shall have 5 years to open the facility to the public and notify the ^[1]Department of Commerce of such opening. The Department of Revenue shall not begin distributing funds until 30 days following notice by the ^[1]Department of Commerce that the facility is open to the public.

(5) The Department of Revenue may audit as provided in s. 213.34 to verify that the contributions pursuant to this section have been expended as required by this section.

(6) The ^[1]Department of Commerce must recertify every 10 years that the facility is open, that the International Game Fish Association World Center continues to be the only international administrative headquarters, fishing museum, and Hall of Fame in the United States recognized by the International Game Fish Association, and that the project is meeting the minimum projections for attendance or sales tax revenues as required at the time of original certification. If the facility is not recertified during this 10-year review as meeting the minimum projections, then funding will be abated until certification criteria are met. If the project fails to generate \$1 million of annual revenues pursuant to paragraph (2) (e), the distribution of revenues pursuant to s. 212.20(6)(d)7.d. shall be reduced to an amount equal to \$83,333 multiplied by a fraction, the numerator of which is the actual revenues generated and the denominator of which is \$1 million. Such reduction shall remain in effect until revenues generated by the project in a 12-month period equal or exceed \$1 million.

212.20 Funds collected, disposition; additional powers of department; operational expense; refund of taxes adjudicated unconstitutionally collected.—

(1) The department shall pay over to the Chief Financial Officer of the state all funds received and collected by it under the provisions of this chapter, to be credited to the account of the General Revenue Fund of the state.

(2) The department is authorized to employ all necessary assistants to administer this chapter properly and is also authorized to purchase all necessary supplies and equipment which may be required for this purpose.

(3) The estimated amount of money needed for the administration of this chapter shall be included by the department in its annual legislative budget request for the operation of its office.

(4) When there has been a final adjudication that any tax pursuant to s. 212.0596 was levied, collected, or both, contrary to the Constitution of the United States or the State Constitution, the department shall, in accordance with rules, determine, based upon claims for refund and other evidence and information, who paid such tax or taxes, and refund to each such person the amount of tax paid. For purposes of this subsection, a "final adjudication" is a decision of a court of competent jurisdiction from which no appeal can be taken or from which the official or officials of this state with authority to make such decisions has or have decided not to appeal.

(5) For the purposes of this section:

(a) "Proceeds" means all tax or fee revenue collected or received by the department, including interest and penalties.

(b) "Reallocate" means reduction of the accounts of initial deposit and redeposit into the indicated account.

(6) Distribution of all proceeds under this chapter and s. 202.18(1)(b) and (2)(b) shall be as follows:

(a) Proceeds from the convention development taxes authorized under s. 212.0305 shall be reallocated to the Convention Development Tax Clearing Trust Fund.

(b) Proceeds from discretionary sales surtaxes imposed pursuant to ss. 212.054 and 212.055 shall be reallocated to the Discretionary Sales Surtax Clearing Trust Fund.

(c) Proceeds from the fees imposed under ss. 212.05(1)(h)3. and 212.18(3) shall remain with the General Revenue Fund.

(d) The proceeds of all other taxes and fees imposed pursuant to this chapter or remitted pursuant to s. 202.18(1)(b) and (2)(b) shall be distributed as follows:

1. In any fiscal year, the greater of \$500 million, minus an amount equal to 4.6 percent of the proceeds of the taxes collected pursuant to chapter 201, or 5 percent of all other taxes and fees imposed pursuant to this chapter or remitted pursuant to s. 202.18(1)(b) and (2)(b) shall be deposited in monthly installments into the General Revenue Fund.

2. Two-tenths of one percent shall be transferred to the Ecosystem Management and Restoration Trust Fund to be used for water quality improvement and water restoration projects.

3. After the distribution under subparagraphs 1. and 2., 8.814 percent of the amount remitted by a sales tax dealer located within a participating county pursuant to s. 218.61 shall be transferred into the Local Government Half-cent Sales Tax Clearing Trust Fund. Beginning July 1, 2003, the amount to be transferred pursuant to this subparagraph to the Local Government Half-cent Sales Tax Clearing Trust Fund shall be reduced by 0.1 percent, and the department shall distribute this amount to the Public Employees Relations

Commission Trust Fund less \$5,000 each month, which shall be added to the amount calculated in subparagraph 4. and distributed accordingly.

4. After the distribution under subparagraphs 1., 2., and 3., 0.095 percent shall be transferred to the Local Government Half-cent Sales Tax Clearing Trust Fund and distributed pursuant to s. 218.65.

5. After the distributions under subparagraphs 1., 2., 3., and 4., 2.0440 percent of the available proceeds pursuant to this paragraph shall be transferred monthly to the Revenue Sharing Trust Fund for Counties pursuant to s. 218.215.

6. After the distributions under subparagraphs 1., 2., 3., and 4., 1.3409 percent of the available proceeds pursuant to this paragraph shall be transferred monthly to the Revenue Sharing Trust Fund for Municipalities pursuant to s. 218.215. If the total revenue to be distributed pursuant to this subparagraph is at least as great as the amount due from the Revenue Sharing Trust Fund for Municipalities and the former Municipal Financial Assistance Trust Fund in state fiscal year 1999-2000, no municipality shall receive less than the amount due from the Revenue Sharing Trust Fund for Municipalities and the former Municipal Financial Assistance Trust Fund in state fiscal year 1999-2000. If the total proceeds to be distributed are less than the amount received in combination from the Revenue Sharing Trust Fund for Municipalities and the former Municipal Financial Assistance Trust Fund in state fiscal year 1999-2000, each municipality shall receive an amount proportionate to the amount it was due in state fiscal year 1999-2000.

7. Of the remaining proceeds:

a. In each fiscal year, the sum of \$29,915,500 shall be divided into as many equal parts as there are counties in the state, and one part shall be distributed to each county. The distribution among the several counties shall begin each fiscal year on or before January 5th and shall continue monthly for a total of 4 months. If a local or special law required that any moneys accruing to a county in fiscal year 1999-2000 under the then-existing provisions of s. 550.135 be paid directly to the district school board, special district, or a municipal government, such payment shall continue until such time that the local or special law is amended or repealed. The state covenants with holders of bonds or other instruments of indebtedness issued by local governments, special districts, or district school boards prior to July 1, 2000, that it is not the intent of this subparagraph to adversely affect the rights of those holders or relieve local governments, special districts, or district school boards of the duty to meet their obligations as a result of previous pledges or assignments or trusts entered into which obligated funds received from the distribution to county governments under then-existing s. 550.135. This distribution specifically is in lieu of funds distributed under s. 550.135 prior to July 1, 2000.

b. The department shall distribute \$166,667 monthly pursuant to s. 288.1162 to each applicant that has been certified as a "facility for a new professional sports franchise" or a "facility for a retained professional sports franchise" pursuant to s. 288.1162. Up to \$41,667 shall be distributed monthly by the department to each applicant that has been certified as a "facility for a retained spring training franchise" pursuant to s. 288.1162; however, not more than \$208,335 may be distributed monthly in the aggregate to all certified facilities for a retained spring training franchise. Distributions shall begin 60 days following such certification and shall continue for not more than 30 years. Nothing contained in this paragraph shall be construed to allow an applicant certified pursuant to s. 288.1162 to receive more in distributions than actually expended by the applicant for the public purposes provided for in s. 288.1162(6). However, a certified applicant is entitled to receive

distributions up to the maximum amount allowable and undistributed under this section for additional renovations and improvements to the facility for the franchise without additional certification.

c. Beginning 30 days after notice by the Office of Tourism, Trade, and Economic Development to the Department of Revenue that an applicant has been certified as the professional golf hall of fame pursuant to s. 288.1168 and is open to the public, \$166,667 shall be distributed monthly, for up to 300 months, to the applicant.

d. Beginning 30 days after notice by the Office of Tourism, Trade, and Economic Development to the Department of Revenue that the applicant has been certified as the International Game Fish Association World Center facility pursuant to s. 288.1169, and the facility is open to the public, \$83,333 shall be distributed monthly, for up to 168 months, to the applicant. This distribution is subject to reduction pursuant to s. 288.1169. A lump sum payment of \$999,996 shall be made, after certification and before July 1, 2000.

8. All other proceeds shall remain with the General Revenue Fund.

Florida Sports Foundation

**Executive Office of the Governor
Office of Tourism, Trade, and Economic Development**

Program: **FLORIDA SPORTS FOUNDATION**

Authority: ss. 14.2015; 212.20; 288.1168; 288.1169; 288.1229; and 320.08058(6) and (9), F.S.

Appropriation: \$2.95 million in FY 2004-05 (\$2.75 million in spending authority and \$200,000 in General Revenue)

Purpose:

Section 288.1229, F.S., authorizes the creation of a direct-support organization within the Governor's Office of Tourism, Trade, and Economic Development (OTTED) for the purpose of promoting and developing the sports industry and related industries in the state as well as promoting amateur athletic participation for the citizens of Florida and the promotion of Florida as a host for national and international amateur athletic competitions for the purpose of encouraging and increasing the direct and ancillary economic benefits of amateur athletic events and competitions. Additionally, in s. 288.1229, F.S., the direct support organization is given specific statutory responsibilities for both the promotion of amateur sports and the fostering and coordination of services and programs designed to contribute to the physical fitness of the citizens of Florida. The Florida Sports Foundation (Foundation) is the name of this not-for-profit, direct-support organization.

Funding:

Funding for the Foundation activities is provided from the public sector and from the professional sports license tag program under s. 320.08058(9), F.S. and the Florida United States Olympic Committee License Plate. The license tag program provides approximately \$1.1 million annually which channels matching grant funds through the Foundation to regional sports organizations and professional sports franchise host committees in local communities.

Members:

The Foundation board members consist of fifteen members appointed by the Governor and up to fifteen members appointed by the existing board of directors. When appointing members, the board of directors must consider a potential member's background in community service and sports activism in, and financial support of, the sports industry, professional sports, or organized amateur athletics. All members must be residents of the state and highly knowledgeable about or active in professional or organized amateur sports. The board must contain representatives of all geographical regions of the state and must represent ethnic

and gender diversity. The term of office of the members is 4 years. No member may serve more than two consecutive terms.

Responsibilities:

In its role as the state's official sports promotion office, the Foundation serves as the primary source of information on sports and sporting opportunities in the state. The organization produces several Florida sports guides and conducts workshops and conferences designed to increase the knowledge of, and interest in, sports as a viable revenue producer for the state. In addition to channeling grant funds to local and regional sports organizations and local governments, the Foundation has been very active in assisting these entities in promoting their venues to professional and major amateur competitions and developing, fostering, and coordinating services and programs designed to encourage the participation of Florida's youth in Olympic sports and fulfilling the requirements for a successful bid for the Olympic and Pan American games held in the state. In the area of golf and fishing, the Foundation has been active in the annual review of the Professional Golf Hall of Fame and International Game Fish Association. Below is a brief summary of programs, which the Foundation administers:

Sunshine State/Senior Games: The Florida Sports Foundation must develop a statewide program of amateur athletic competition known as the "Sunshine State Games." The Sunshine State Games are patterned after the Summer Olympics with variations as necessitated by availability of facilities, equipment, and expertise. The games are designed to encourage participation of athletes representing a broad range of age groups, skill levels, and Florida communities. Participants, who must be residents of the state, compete in regional competitions held throughout the state, with the top qualifiers in each sport proceeding to the final competitions. The competitions are held at locales in the state with the necessary facilities and equipment for conducting the competitions.

Professional Sports License Tag Program: The annual use fees for the professional sports team license plate are allocated with 50% of the proceeds deposited into the Professional Sports Development Trust Fund within OTTED to be used solely to attract and support major sporting events in the state. The remaining proceeds must be allocated to the Florida Sports Foundation to promote economic development of the sports industry; to distribute licensing and royalty fees to participating professional sports teams; to institute a grant program for communities bidding on minor sporting events that create an economic impact for the state; to distribute funds to Florida-based charities designated by the Florida Sports Foundation and the participating Florida sports teams; and to fulfill the sports promotion responsibilities of OTTED.

Olympic License Tag Program: The Florida Sports Foundation is to receive the first \$5 million in proceeds from the Florida United State Olympic license plate. The organization is to use 50% for the Sunshine State Games and

to distribute the other 50% to the US Olympic Committee. Anything above \$5 million collected is to go to General Revenue.

Professional Sports Franchise Facilities: This program provides state general revenue funding to no more than eight facilities in the aggregate for new or retained professional sports franchises and at least five facilities for retained spring training franchises meeting certification requirements. OTTED serves as the state agency for screening applicants for state funding pursuant to s. 212.20, F.S., and certifying an applicant. OTTED is required to make several statutorily based determinations before certifying an applicant as a facility for a professional sports franchise; retained professional sports franchise, or retained spring training professional sports franchise. OTTED is required to notify the Department of Revenue of any facility certified for a new professional sports franchise or a facility for a retained professional sports franchise or as a facility for a retained spring training franchise. The Florida Sports Foundation handles the screening of applicants and makes recommendations for certification to OTTED and performs any required follow-up examinations of certifications; however, OTTED has final approval.

International Game Fish Association World Center Facility: The program provides state general revenue funding to the International Game Fish Association World Center Facility. OTTED serves as the state agency approving an applicant for funding pursuant to s. 212.20, F.S., and for certifying the applicant as the International Game Fish Association World Center facility. Upon determining whether the applicant is certified or not certified, OTTED shall notify the applicant by letter. OTTED must recertify every 10 years that the facility is open, the IGFA World Center continues to be the only international administrative headquarters, museum, and hall of fame recognized by the International Game and Fish Association, and that certain fiscal projections are being met. If the requirements are not met, then funding is to be abated or reduced until requirements are met. The Florida Sports Foundation handles these duties for OTTED; however, OTTED has final approval.

Professional Golf Hall of Fame: This program provides general revenue funding to the only professional golf hall of fame facility in the United States. OTTED serves as the state agency for screening applicants for the state funding pursuant to 212.20, F.S., and for certifying one applicant as the "Professional Golf Hall of Fame Facility" in the state based upon statutorily required determinations and verifications. OTTED shall notify the applicant and the Department of Revenue of certification status. OTTED is required to recertify every ten years that the facility is open, continues to be the only professional golf hall of fame in the United States recognized the PGA Tour, Inc. and is meeting certain requirements, If not, there is a monetary penalty. The Florida Sports Foundation handles these functions and tasks for OTTED; however, OTTED has final approval.

Contract Management:

OTTED may enter into contracts in connection with the fulfillment of its duties concerning the promotion and development of the sports industry and related industries for the purpose of improving the economic presence of these industries in Florida. Therefore, OTTED serves as contract administrator for the state with respect to the contract with the Florida Sports Foundation. OTTED is required to develop performance measures, standards, and sanctions for each program it administers in conjunction with its contracts. The performance measures, standards, and sanctions are developed in consultation with the legislative appropriation committees and the appropriate substantive committees, and are subject to the review and approval process provided in s. 216.177, F.S. The approved performance measures, standards and sanctions are included and made a part of the contract with the Foundation.

***Executive Office of the Governor
OTTED***

Sports-Related Tax Programs

**Executive Office of the Governor
Office of Tourism, Trade, and Economic Development**

Program Name: PROFESSIONAL SPORTS FRANCHISE FACILITY

Authority: ss. 288.1162 and 212.20, F.S.

Funding: \$2 million in FY 2004-2005 (\$166,667 monthly for each applicant certified as a "facility for a new or retained professional sports franchise")

Purpose/Summary:

Professional Sports Franchise Facilities Program provides state general revenue funding to no more than eight facilities in the aggregate for new or retained professional sports franchises meeting certification requirements.

A "new professional sports franchise" is described as one that is not based in this state prior to April 1, 1987. A "retained" franchise is described as one that has had a league-authorized location in this state on or before December 31, 1976, has continuously remained at that location, and has never been located at a facility that has been previously certified under s. 288.1162, F.S.

OTTED shall notify the Department of Revenue of any facility certified for a new professional sports franchise or a facility for a retained professional sports franchise or as a facility for a retained spring training franchise. OTTED may certify no more than eight facilities as professional sports franchise facilities (combined professional and retained professional) and must certify at least five facilities for retained spring training franchises. The Florida Sports Foundation handles these duties for OTTED; however, OTTED has final approval.

The following franchises have applied for and been certified to receive funds as "new professional sports franchise" facilities:

Florida Panthers.	\$60,000,000 for Broward County for Home Depot Center Stadium
Florida Marlins.	\$60,000,000 for Joe Robbie, Inc. for Pro Player Stadium
Jacksonville Jaguars.	\$60,000,000 for the City of Jacksonville for ALLTEL Stadium
Tampa Bay Lightening.	\$60,000,000 for Tampa Bay Sports Authority for St. Pete Times Forum
Tampa Bay Devil Rays.	\$60,000,000 for City of St. Petersburg for Tropicana Field
Miami Heat.	\$60,000,000 for BPL, Ltd., for American Airlines Arena

The following franchise has applied for and received certification to receive funds as a "retained" professional sports franchise facility:

Tampa Bay Buccaneers.... \$60,000,000 for Hillsborough County for
Raymond James Stadium

**Executive Office of the Governor
Office of Tourism, Trade, and Economic Development**

Program: **SPRING TRAINING FRANCHISE FACILITIES**

Authority: ss. 288.1162 and 212.20, F.S.

Appropriation: \$500,000 annual maximum per team or \$2.5 million annual maximum for certified teams (\$41,667 monthly for a certified "retained spring training facility" for 30 years)

Purpose:

Chapter 2000-186, Laws of Florida, created a one-time funding opportunity for at least five facilities for retained spring training franchises to receive funds to be used only for the public purpose of paying for the construction, reconstruction, or renovation of the eligible facility or to pay for debt service on bonds issued to finance such expenditures or for an agreed upon relocation within the state. A "retained spring training franchise" is defined as a spring training franchise that has been based in this state prior to January 1, 2000. Applications for consideration were required to be submitted to the Office of Tourism, Trade, and Economic Development (OTTED) in the Office of the Governor with certifications being given by January 1, 2001.

The Department of Revenue was instructed to distribute sales tax proceeds to any applicant certified under s. 288.1162(5), F.S., as a "facility for a retained spring training franchise." A certified applicant could receive up to \$41,667 monthly for up to 30 years. However, not more than \$208,335 could be distributed monthly in the aggregate to all certified facilities for a retained spring training franchise.

OTTED certified the following:

1. Lakeland	Detroit Tigers	\$7 million	15 years
2. Dunedin	Toronto Blue Jays	\$10 million	20 years
3. Indian River	Los Angeles Dodgers	\$15 million	30 years
4. Osceola County	Houston Astros	\$7.5 million	15 years
5. Clearwater	Philadelphia	\$15 million	30 years

Certification and Funding Process:

The Office of Tourism, Trade, and Economic Development (OTTED) in the Office of the Governor serves as the state agency for screening applicants for state funding pursuant to s. 212.20, F.S., and for certifying applicant franchise facilities for funding. Section 288.1229, F.S., authorizes the creation of a direct-

support organization to assist OTTED in two primary areas, one of which is in the promotion and development of the sports industry and related industries for the purpose of improving the economic presence of these industries in Florida. As part of this assistance, OTTED uses the direct support organization, the Florida Sports Foundation (FSF), to carry out the applicant screening duties required under s. 288.1162, F.S. FSF submits the applications to OTTED which certifies the eligibility of the applicant's professional sports franchise under the category of "retained spring training franchise facility."

Once an applicant's facility is certified by OTTED as a "retained spring training franchise facility", it is eligible to receive funding from the General Revenue Fund under s. 212.20(6)(f)5., F.S. These general revenue funds are generated from tax on sales or use of tangible personal property, admissions, rentals, and services. An applicant whose professional sports franchise is certified as "retained" can receive \$2 million annually for 30 years (\$60 million) and an applicant whose franchise is certified as a "new spring training franchise" can receive \$500,000 annually for 30 years (\$15 million). However, not more than \$208,335 may be distributed monthly in the aggregate to all certified facilities for a "new" spring training franchise. If the number of applicants exceeds five and the aggregate funding request of all applications exceeds \$208,335 per month, OTTED is required to rank the applications according to the criteria delineated in s. 288.1162(5)(c), F.S.

The Department of Revenue is authorized to audit the distribution and expenditure of the funds, subject to the confidentiality requirements of Chapter 213, F.S.

The law requires that funds not be expended to subsidize privately owned and maintained facilities for use by the retained spring training franchise. Funds may be used to relocate an existing retained spring training franchise to another unit of local government within the state if the local government from which it is relocating agrees to the move. Other than the use of funds for an agreed to relocation, funds may only be used to pay for acquisition, construction, reconstruction, or renovation of a facility or to pay or pledge for the payment of debt service on a facility or for the reimbursement or refinancing of bonds issued. OTTED shall certify at least five facilities for retained spring training franchises. OTTED may not certify partial funding to any applicant certified as a facility for a retained spring training franchise.

There are currently 18 professional spring training franchise facilities in Florida. The spring training teams and their locations follow:

American League

Baltimore Orioles - Ft. Lauderdale Stadium
Ft. Lauderdale
Boston Red Sox - City of Palms Park
Ft. Myers
Cleveland Indians - Chain of Lakes Park
Winter Haven
Detroit Tigers - Joker Marchant Stadium
Lakeland
Minnesota Twins - Hammond Stadium
Ft. Myers
New York Yankees - Legends Field
Tampa
Tampa Bay Devil Rays - Florida Power Park
Home of Al Lang Field
St. Petersburg
Toronto Blue Jays - Grant Field
Dunedin

National League

**Atlanta Braves* - Cracker Jack Stadium
Disney's Wide World of Sports
Lake Buena Vista
Cincinnati Reds - Ed Smith Stadium
Sarasota
Florida Marlins - Roger Dean Stadium
Jupiter
Houston Astros - Osceola County Stadium
Kissimmee
Los Angeles Dodgers - Holman Stadium
Dodgertown
Vero Beach
Montreal Expos - Space Coast Stadium
Viera
New York Mets - Thomas J. White Stadium
Port St. Lucie
Philadelphia Phillies - Bright House
Networks Stadium
Clearwater
Pittsburgh Pirates - McKechnie Field
Bradenton
St. Louis Cardinals - Roger Dean Stadium
Jupiter

*The facility which the Atlanta Braves team uses is owned by Walt Disney World.

**Executive Office Of The Governor
Office of Tourism, Trade, and Economic Development**

Program: **PROFESSIONAL GOLF HALL OF FAME FACILITY**

Authority: s. 288.1168, F.S.; s. 212.20, F.S.

Funding: \$2 million in FY 2000-2001 (\$166,667 monthly for up to 300 months beginning July 1, 1992)

Purpose/Summary: This program provides general revenue funding to the only professional golf hall of fame facility in the United States. The Office of Tourism, Trade, and Economic Development (OTTED) in the Office of the Governor serves as the state agency for screening applicants for the state funding pursuant to s. 212.20, F.S., and certifying one applicant as the "Professional Golf Hall of Fame Facility" in the state based upon statutorily required determinations and verifications. OTTED shall notify the applicant and the Department of Revenue of certification status. The state has already certified one facility as the Profession Golf Hall of Fame. OTTED is required to recertify every ten years that the facility is open, continues to be the only professional golf hall of fame in the United States recognized by the PGA Tour, Inc. and is meeting certain requirements. If these requirements are not met, there is a monetary penalty. The Florida Sports Foundation handles these functions and tasks for OTTED; however, OTTED has final approval.

**Executive Office Of The Governor
Office of Tourism, Trade, and Economic Development**

Program: **INTERNATIONAL GAME FISH
ASSOCIATION WORLD CENTER**

Authority: ss. 288.1169 and 212.20, F.S.

Funding: \$1 million appropriated in FY 2000-2001 (\$83,333 monthly for up
to 180 months)

Purpose/Summary: This program provides state general revenue funding to the International Game and Fish Association World Center Facility. The Office of Tourism, Trade and Economic Development (OTTED) within the Office of the Governor serves as the state agency approving the applicant for funding pursuant to s. 212.20, F.S., and for certifying the applicant as the International Game Fish Association World Center Facility. Upon determining whether the applicant is certified or not certified, OTTED shall notify the applicant by letter. OTTED shall notify the applicant and the Department of Revenue of certification status. The state has already certified one facility as the International Game Fish Association World Center. OTTED must recertify every 10 years that the facility is open, the IGFA World Center continues to be the only international administrative headquarters, museum, and hall of fame recognized by the International Game and Fish Association, and that certain fiscal projections are being met. If the requirements are not met, then funding is to be abated or reduced until requirements are met. The Florida Sports Foundation handles these functions and tasks for OTTED; however, OTTED has final approval.



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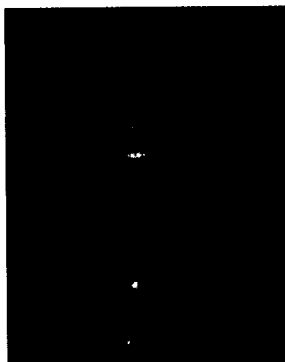
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Chair



Sheri McInvale
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Tom Anderson



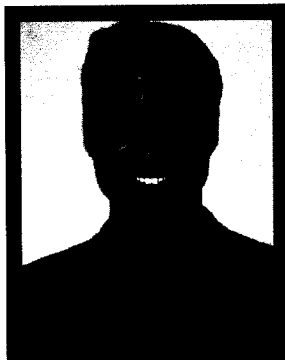
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